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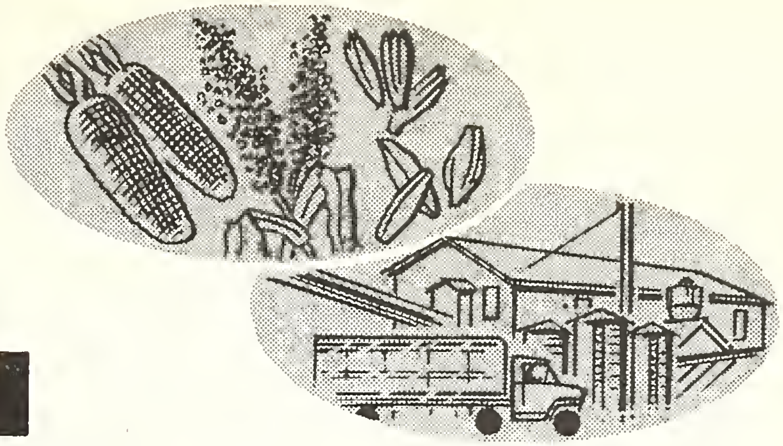

FEED SITUATION

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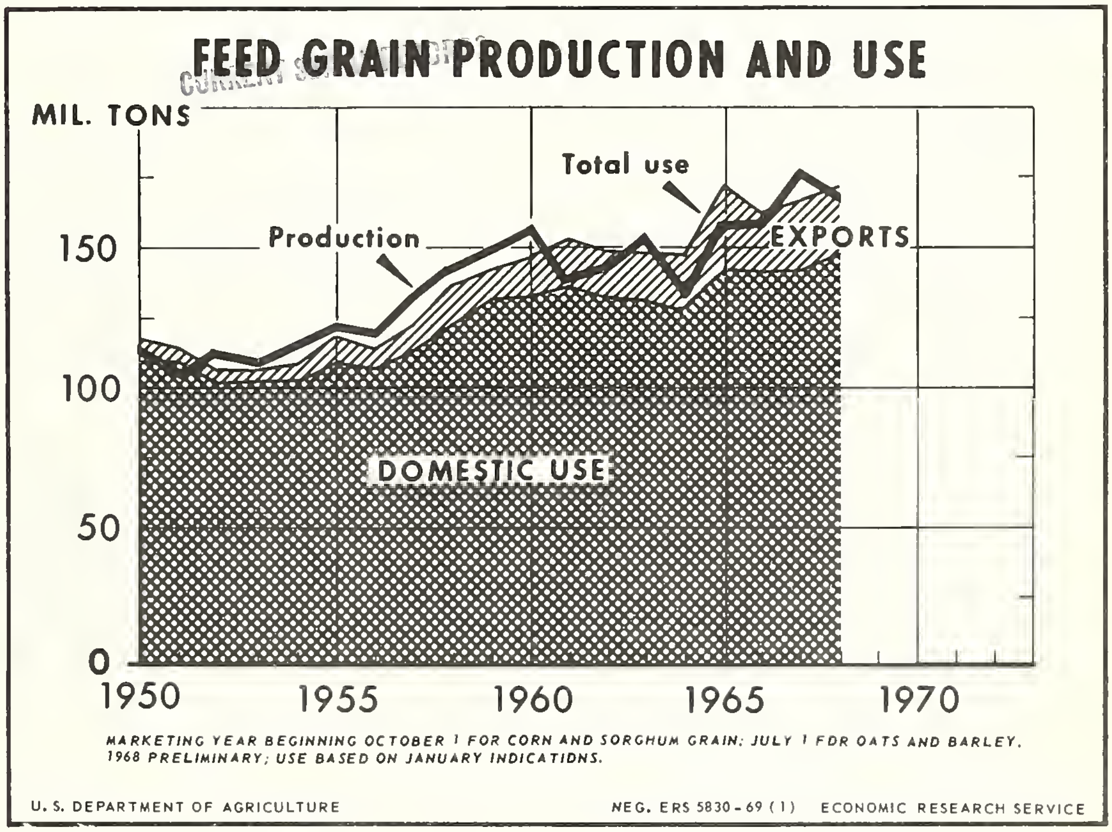
Both production and use of feed grains have trended upward during the past 20 years. Production exceeded total use during the 1950's, but has trailed it during most of the 1960's, reducing carryover to this year's level of 48 million tons. Domestic use has increased about a third since the early 1950's, but exports also have contributed significantly to heavier total use, rising to 4 times those of 15 years ago. (See page 15.)



MARKETING YEAR BEGINNING OCTOBER 1 FOR CORN AND SORGHUM GRAIN; JULY 1 FOR OATS AND BARLEY.
1968 PRELIMINARY; USE BASED ON JANUARY INDICATIONS.

U. S. DEPARTMENT OF AGRICULTURE NEG. ERS 5830-69 (1) ECONOMIC RESEARCH SERVICE

OUTLOOK

THE 1969 AGRICULTURAL OUTLOOK CONFERENCE

February 17-19, 1969

USDA South Building, Jefferson Auditorium

Washington, D.C.

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Table 1.--Statistical summary of prices, indexes and price ratios, recent years and months

Item	Unit	Season average		1968	1968/69			
		1966/67	1967/68	January	Oct.	Nov.	Dec.	Jan.
FEED GRAIN AND HAY PRICES								
Corn, No. 3 Yellow, Chicago	Dol. per bu.	1.36	1.12	1.10	1.06	1.13	1.14	1.18
Price received by farmers	do.	1.24	1.04	1.04	.962	1.04	1.05	1.08
Oats, No. 1 White, Chicago	do.	.767	.766	.812	---	.688	---	---
No. 2 White, Minneapolis	do.	.725	.702	.727	.641	.687	.670	.704
Price received by farmers	do.	.665	.659	.667	.582	.603	.607	.625
Barley, No. 3, Minneapolis	do.	1.32	1.24	1.24	1.18	1.16	1.14	1.19
Price received by farmers	do.	1.05	.997	.978	.881	.891	.902	.898
Sorghum grain, No. 2 Yellow, Kansas City	Dol. per cwt.	2.09	1.99	2.06	1.81	1.88	1.90	1.96
Price received by farmers	do.	1.82	1.77	1.75	1.60	1.68	1.72	1.74
All hay, baled, price received by farmers	Dol. per ton	25.00	24.40	24.00	21.80	22.30	23.00	23.50
Alfalfa hay, baled, price received by farmers	do.	24.70	23.60	24.70	21.90	22.40	23.20	23.80
PROCESSED FEED PRICES, BULK								
Soybean meal, 44 pct., solvent, Decatur	Dol. per ton	78.80	76.90	75.10	78.20	73.50	71.60	69.80
50 pct., solvent, Decatur	do.	86.30	84.30	81.30	85.30	79.40	79.40	79.50
Cottonseed meal, 41 pct., expeller, Memphis	do.	77.50	77.60	77.90	66.20	65.60	67.80	68.40
Linseed meal, 34 pct., solvent, Minneapolis	do.	74.40	76.50	77.00	72.00	69.60	68.70	67.80
Peanut meal, 50 pct., S.E. mills	do.	82.50	81.10	79.60	87.30	88.00	85.70	88.00
Tankage digester, 60 pct., Chicago	do.	98.10	92.50	92.50	99.50	100.00	98.00	95.60
Meat meal, 50 pct., Chicago	do.	94.00	88.80	88.70	97.00	94.40	91.00	92.80
Fish meal, 60 pct., New York, (bagged)	do.	137.10	127.00	120.20	129.20	129.60	135.20	140.20
Gluten feed, 21 pct., Chicago	do.	50.10	44.90	53.20	42.80	46.00	49.20	50.00
Brewers' dried grains, 24 pct., Milwaukee	do.	50.70	45.90	50.60	46.50	47.80	49.60	53.50
Distillers' dried grains, 28 pct., Cincinnati	do.	64.50	52.70	57.20	54.40	56.00	56.20	57.00
Wheat bran, Minneapolis	do.	44.30	39.30	44.10	35.60	42.10	46.70	47.10
Buffalo	do.	48.40	42.20	48.00	37.70	43.00	50.30	50.10
Wheat middlings, Minneapolis	do.	45.30	39.80	44.30	38.10	44.40	49.10	47.80
Buffalo	do.	50.70	44.30	49.50	42.90	46.40	51.40	51.10
Hominy feed, Chicago	do.	46.00	39.00	41.00	37.20	40.40	43.90	44.60
Molasses blackstrap, New York	do.	30.83	27.90	29.07	24.40	23.10	22.10	21.40
Beet pulp (molasses), Los Angeles	do.	53.20	46.50	50.10	44.00	44.00	44.80	48.00
Alfalfa meal, 17 pct., dehydrated, Kansas City	do.	53.40	39.10	43.00	37.30	41.20	44.40	46.50
Tallow, inedible prime, Chicago	Cents per lb.	.055	.046	.045	.046	.048	.046	.047
Urea, 45 pct. N., Houston (bagged)	Dol. per ton	90.00	90.00	90.00	90.00	90.00	90.00	90.00
PRICES PAID BY FARMERS								
Soybean meal, 44 pct.	Dol. per cwt.	5.46	5.30	5.20	5.54	5.39	5.31	5.24
Cottonseed meal, 41 pct.	do.	5.36	5.28	5.27	5.20	5.12	5.08	5.04
Wheat bran	do.	3.65	3.49	3.59	3.34	3.35	3.50	3.59
Wheat middlings	do.	3.74	3.59	3.68	3.44	3.49	3.61	3.69
Broiler grower feed	Dol. per ton	95.00	89.00	90.00	88.00	89.00	88.00	88.00
Laying feed	do.	87.00	81.00	82.00	79.00	79.00	79.00	80.00
Dairy feed, 16 pct.	do.	76.00	72.00	75.00	70.00	71.00	72.00	72.00
Beef cattle feed, 30 pct. and over	Dol. per cwt.	4.94	4.77	4.81	4.65	4.61	4.65	4.64
Hog feed, over 29 pct.	do.	6.42	6.27	6.20	6.44	6.37	6.34	6.31
Alfalfa hay, baled	Dol. per ton	34.50	33.20	34.50	32.20	32.90	33.60	34.30
PRICE INDEXES (1957-59=100)								
Feed grains, prices received by farmers	Pct.	112	98	99	90	96	97	99
Eleven high-protein feeds, at principal markets	do.	135	130	128	130	125	124	124
Five oilseed meals	do.	141	138	136	138	130	129	128
Tankage, meat meal, and fish meal	do.	108	103	103	108	107	106	108
Gluten feed, brewers' dried grains, and distillers' dried grains	do.	126	114	123	117	118	120	121
Feed, prices paid by farmers	do.	108	102	104	99	101	101	102
LIVESTOCK AND POULTRY/FEED PRICE RATIOS 1/	Average (January)							
Hog/corn, Chicago 2/	1958-67=14.8	15.5	17.5	17.1	17.7	16.3	16.8	17.1
Hog/corn, U.S.	1958-67=16.0	15.9	17.8	16.9	18.6	16.8	17.0	17.2
Beef steer/corn, Chicago 3/	1958-67=21.8	19.2	24.5	24.4	26.7	25.2	25.4	24.8
Milk/feed, U.S.	1958-67= 1.48	1.55	1.66	1.69	1.85	1.84	1.80	1.75
Egg/feed, U.S.	1964-68= 8.3	7.8	7.8	7.7	9.5	9.8	10.6	10.8
Broiler/feed, U.S.	1964-68= 3.1	2.9	3.1	3.0	2.9	3.1	3.0	3.2
Turkey/feed, U.S.	1964-68= 4.9	4.6	4.4	4.3	4.9	5.0	4.9	4.7

1/ Units of corn or other concentrate ration equal in value to 100 pounds of hog or beef steer, one pound of chicken, milk, or one dozen eggs. 2/ Based on packer and shipper purchases of hogs and No. 3 Yellow corn. 3/ Based on price of beef steers all grades sold out of first hands for slaughter, and No. 3 Yellow corn.

Prices compiled from Chicago Board of Trade, Minneapolis Daily Market Record, Kansas City Grain Market Review, National Provisioner, Feedstuffs, and reports of the Consumer and Marketing Service.

THE FEED SITUATION

Approved by the Outlook and Situation Board, January 31, 1969

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TRENDS IN FEED GRAIN PRODUCTION AND UTILIZATION

SUMMARY*

The 1968/69 feeding year is bringing a closer balance between total feed grain use and production than in most recent years, when sizable changes occurred in carryover stocks. Although the crop was 8 million tons below the record output of 1967, larger beginning stocks raised the total supply slightly for this marketing year to 216 million tons, up 3 million from last season.

With more livestock to be fed this season and continued price ratios favorable to feeders, domestic use may be up 5 or 6 million tons from the 142 million in 1967/68. However, exports are trailing the previous year's pace and may be 5 to 10 percent below the 23 million tons shipped last season.

Present indications are for a total disappearance this marketing year slightly above the 1968 crop of 168 million tons, resulting in a small reduction in carryover into 1969/70. A much smaller part of the carryover is expected to be "free" stocks than during the past 2 years.

The corn supply for 1968/69 is now estimated at a little over 5.5 billion bushels, about 1 percent below last season. Corn disappearance will likely exceed the 4.4 billion bushels produced last fall by around 100 million bushels, leaving a carryover of around 1.0 billion bushels next October 1. The grain sorghum supply is estimated at a little over 1 billion bushels, 3 percent larger than last year. Oat and barley supplies are up 12 to 13 percent

Prices of feed grains have gone up about 10 percent since October, when they averaged 7 percent below a year earlier. In January the index of prices received by farmers was about the same as a year ago. Prices of each of the 4 feed grains were

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*The summary of this report and a summary table were released to the press on January 31, 1969.

near or above the 1968 loan rates. Smaller "free" supplies of feed grains this season will likely help hold prices a little above those of a year earlier the rest of the 1968/69 feeding year, although 1969 crop developments will obviously be influential.

Provisions of the 1969 Feed Grain Program, announced December 26, are basically the same as last year. The major change is inclusion this year of acreage diversion for barley. The signup period for the program will be February 3 through March 21. The program's objective is diversion of 37 million acres of corn, grain sorghum, and barley to soil-conserving uses to bring 1969 production a little below requirements and to obtain some further reduction in carryover at the close of the 1969/70 marketing year.

Domestic demand has been very good for high-protein feeds this fall and winter. Feeders have stepped up usage. With larger supplies, prices of these feeds have weakened from relatively high summer levels. Feeding in 1968/69 is expected to be around 3 percent above the 17.8 million tons fed last season.

Soybean meal feeding probably will set a record high this year--up 2 or 3 percent from 1967/68. The 1968 cotton crop was sharply above the very small crop the previous year, providing larger cottonseed meal supplies. Lower prices make these 2 oilmeals more competitive with other proteins.

The hay supply for 1968/69 was put at 151 million tons, over 2 million more than last year's large supply. May-December disappearance reached a record 60 million tons, but January 1 stocks were still up slightly. Demand for hay has continued generally strong in the current feeding year. Prices since May have averaged only a shade under those of a year earlier. In mid-January prices in most regions were below a year ago, except in the Southeast where they were a little higher.

FEED GRAIN SUPPLIES, UTILIZATION AND PRICES

Feed Grain Supply Up Slightly to 216 Million Tons

The feed grain supply for 1968/69 is estimated at about 216 million tons, only about 1 percent above last year's supply. The 1968 crop estimate was reduced to 168 million tons in December, 2.5 million less than in November and 8 million below the record crop of 1967. Farmers reduced corn and grain sorghum plantings in 1968 by 7 million acres. But this was partly offset by increased acreages of oats and barley. Combined yield per acre of the 4 feed grains declined slightly from 1967 as a result of less favorable weather for corn and sorghums late in the growing season.

While the total feed grain supply is slightly larger than a year ago, the starting "free" supply (privately held stocks plus production) is estimated at 187 million tons, 8 million smaller than the year before. The size of the "free" supply is important in influencing the general price level of feed grains. In 1967/68 the "free" supply exceeded total use by about 29 million tons and was accompanied by relatively low feed grain prices. This season's smaller "free" supply coupled with a projected increase in total requirements for 1968/69 will result in a tighter supply situation this spring and summer than in 1968 and also a smaller "free" carryover into 1969/70 than the 18 to 19 million tons in the 2 preceding years.

Domestic use of feed grains in 1968/69 is expected to be around 5 or 6 million tons above the 142 million tons of 1967/68. The number of grain-consuming animal units is now estimated at 184 million, 5 million more than in 1967/68. Livestock/feed price ratios have been mostly favorable this past fall and winter. Although they may turn less favorable this spring and summer, heavier feeding per animal unit is expected for the entire year.

Exports probably will fall a little below the 23.3 million tons in 1967/68. Exports in October-December totaled 5.3

Table 2.--Feed grains: Supply and utilization, United States, average 1962-66, annual 1962-68

Item	Marketing year beginning 1/							
	Average 1962-66	1962	1963	1964	1965	1966	1967 2/	1968 3/
	Million tons							
Supply								
Carryover								
Government stocks 4/	48.6	62.5	55.8	56.6	43.7	24.4	18.3	29.5
"Free" 5/	12.0	9.7	8.6	12.7	11.1	17.7	18.8	18.4
Total	60.6	72.2	64.4	69.3	54.8	42.1	37.1	47.9
Production	148.9	141.7	153.8	134.2	157.4	157.6	176.0	168.1
Imports 6/	.3	.2	.4	.4	.3	.3	.3	.3
Total supply	209.8	214.1	218.6	203.9	212.5	200.0	213.4	216.3
Utilization								
Livestock feed	120.1	119.0	116.2	113.0	126.3	125.7	126.8	132.3
Food, industry and seed	14.6	13.9	14.3	14.5	15.0	15.2	15.4	15.5
Exports 6/	21.6	16.8	18.8	21.6	29.1	22.0	23.3	21.5
Total	156.3	149.7	149.3	149.1	170.4	162.9	165.5	169.3
Carryover at end of year	53.5	64.4	69.3	54.8	42.1	37.1	47.9	47.0

1/ Corn and sorghum grain October-September; oats and barley July-June. 2/ Preliminary. 3/ Preliminary; utilization and carryover at end of year based on indications in January 1969. 4/ Under loan or owned by CCC. 5/ Residual; privately held stocks. 6/ Includes grain equivalent of products.

Table 3.--Feed concentrates consumed by quarters, total per animal unit and per livestock production unit, 1952-67

Year beginning October	Feed concentrates fed					Quantity fed per unit of livestock			
	Oct.-Dec.	Jan.-Mar.	Apr.-June	July-Sept.	Total Oct.-Sept.	Grain-consuming animal units	Fed per animal unit	Livestock production units	Fed per production unit
	Million tons					Mil.	Ton	Mil.	Ton
1952	34.4	32.3	22.2	25.1	114.0	158.9	.72	176.4	.65
1953	37.0	30.4	23.1	26.0	116.5	156.9	.74	174.7	.67
1954	32.1	31.1	23.8	29.2	116.2	161.6	.72	183.4	.63
1955	34.7	34.1	24.4	29.1	122.3	165.3	.74	187.7	.65
1956	34.9	34.6	24.3	26.0	119.8	160.9	.74	184.1	.65
1957	36.1	35.1	28.4	29.4	129.0	159.9	.81	186.5	.69
1958	41.0	38.3	30.1	30.1	139.5	167.7	.83	198.2	.70
1959	41.7	40.6	30.5	31.9	144.7	165.7	.87	197.2	.73
1960	41.2	42.2	32.1	34.3	149.8	167.5	.89	201.7	.74
1961	43.2	43.4	31.4	33.8	151.8	169.4	.90	205.4	.74
1962	40.4	46.4	32.5	31.0	150.3	173.5	.87	211.7	.71
1963	40.2	41.9	32.6	33.6	148.3	173.0	.86	216.0	.69
1964	42.6	42.0	31.1	29.6	145.3	169.1	.86	212.5	.68
1965	44.1	44.7	36.9	35.3	161.0	170.1	.95	217.2	.74
1966	48.2	40.7	36.3	35.8	161.0	179.0	.90	228.6	.70
1967	48.2	39.6	36.1	38.5	162.4	179.1	.91	231.5	.70

1/ Preliminary.

Table 4.--Government feed grain stocks, January 1, 1968 and 1969

Item	Corn		Sorghum grain		Oats		Barley		Total 4 feed grains	
	1968	1969	1968	1969	1968	1969	1968	1969	1968	1969
	Million bushels								Million tons	
Under loan										
Old grain resealed	224	448	26	57	28	43	8	34	7.6	15.6
Under price support from preceding crop 1/	194	180	40	50	28	70	31	80	7.7	9.5
Owned by CCC	138	261	193	192	45	46	6	7	10.1	13.6
Total Government	556	889	259	299	101	159	45	121	25.4	38.7

1/ Total placed under loan, less repayments through December 31.

Compiled from operating reports of the Agricultural Stabilization and Conservation Service.

million tons, 1.5 million less than a year earlier.

Total use in 1968/69 is now expected to be a little larger than last year and also slightly more than the 1968 crop. This would result in a small reduction in the carryover at the close of the 1968/69 marketing year from the 48 million tons at the beginning.

Government Stocks Up 13 Million Tons

Stocks of feed grains under loan and owned by CCC totaled close to 39 million tons on January 1, an increase of 13 million tons from a year ago. This included about 25 million tons under loan and nearly 14 million owned by CCC. The quantity under loan was 10 million more than a year earlier, while CCC-owned volume was up 3.5 million.

Total feed grain stocks were not reported for January 1. The larger number of livestock and poultry being fed and the favorable livestock/feed price ratios probably resulted in a domestic disappearance during October-December at least equal to and possibly a little above the record 43 million tons consumed in that quarter of 1967. Exports, however, were 1.5 million tons below the 6.8 million of a year earlier. Domestic use during January-March is expected to be well above the relatively light use in that quarter of the past 2 years.

Feed Grain Prices Near 1967/68 Level

Feed grain prices have advanced about 10 percent from the lows of last August-October. In January they were about the same as a year earlier. The early seasonal rise in prices this year was due largely to lowered production prospects for the 1968 crop. The estimate of the crop was reduced 9 million tons from September to December. The large quantity going under price support this year also has been a price strengthening factor. Feed grain prices are expected to show more strength this spring and summer than in 1968 when large "free" supplies resulted in low prices, especially in August and September.

Prices of each of the feed grains have advanced since last summer. Prices of corn and grain sorghum in January were above the 1968 loan rates, while prices of oats and barley averaged near the loan. The price of grain sorghum at $1.74 per cwt. was 90 percent of the corn price--slightly above the 5-year average but somewhat lower in relation to corn than a year ago (table 25). Prices of oats and barley were a little lower than last year in relation to corn and were near the 5-year average.

Corn Use Expected to Exceed Crop

The 1968 corn crop, estimated in December at a little under 4.4 billion bushels, is nearly 400 million below the record 1967 crop. Including the larger carryover, the total supply is estimated at 5,522 million bushels, slightly less than last year (table 5). The October 1 carryover included 714 million bushels in Government stocks, 340 million more than in 1967. "Free" carryover stocks, down slightly from a year earlier, plus production totaled 4,807 million bushels, about 400 million less than in 1967/68.

With more hogs and poultry to be fed this year and with corn prices low in relation to livestock prices, domestic use is expected to be a little heavier this year than in 1967/68. The increase, however, will be tempered to some extent by the better quality of the 1968 crop and larger supplies of other feed grains and continued heavy wheat feeding. An increase of around 50 to 100 million bushels over the 3.8 billion bushels consumed domestically in 1967/68 could result. Corn exports, however, may fall a little short of the 634 million bushels exported in 1967/68. Total disappearance in 1968/69 may thus increase to around 4.5 billion bushels, about 100 million above the 1968 crop. This would reduce the carryover next October 1 to around 1.0 to 1.1 billion bushels.

Corn Prices Advance Above the Loan Rate

Corn prices have advanced 12 cents a bushel since the early seasonal low in October, and in January prices received by farmers were 3 cents above the 1968 loan rate. Strength in prices since last fall has been due to the reduction in the 1968 crop, increased quantities held under the price support program, and strong demand for livestock and poultry feed.

Corn prices during the remainder of the marketing year are expected to have more seasonal strength than in the past 2 years. Farmers have placed rather large amounts of feed grains under loan this year and a tighter supply situation is in prospect this spring and summer. Farmers and the trade will likely carry over substantially less "free" corn this year, giving strength to corn prices during the spring and summer. In 1968 corn prices dropped about 10 cents a bushel from May to August under the influence of large "free" supplies and prospects for another big crop.

The rise in average prices received by farmers, however, will be limited to some extent by the amount of corn that can be withdrawn from the loan program as prices advance above the loan rate. Farmers have about 365 million bushels of 1966 and 1967 corn under reseal which can be redeemed if prices go much above $1.05 a bushel. As in 1967/68, corn prices are again being determined largely by the loan program following 3 or 4 years when prices were substantially above the loan rates.

Marketings of Corn Earlier Than in 1967/68

Harvesting and marketing of 1968 corn have been somewhat ahead of the previous year's as a result of improved weather for getting it out of the fields. Harvesting in the Corn Belt was delayed by rains in late October and early November, especially in Iowa and Minnesota. But harvest over much of the Corn Belt was about 2 weeks earlier than in the fall of 1967 and about the same as 2 years ago. Receipts of corn at 13 primary markets increased sharply from the middle of October to early November and held at a weekly rate of 13 to 14 million bushels during November and early December (table 7).

Receipts at primary markets totaled 129 million bushels during October-December, 15 million more than in that quarter of

Table 5.--Corn and sorghum grain: Supply and distribution, average 1962-66, annual 1962-68

Item	Year beginning October							
	Average 1962-66	1962	1963	1964	1965	1966	1967 1/	1968 2/
	Million bushels							
	CORN							
Supply								
Carryover (October 1)	1,308	1,653	1,365	1,537	1,147	840	823	1,146
Production	3,862	3,606	4,019	3,484	4,084	4,117	4,760	4,375
Imports	1	1	1	1	1	1	1	1
Total supply	5,171	5,260	5,385	5,022	5,232	4,958	5,584	5,522
Distribution								
Food and Industry 3/								
Wet-process products 4/	197	179	195	201	204	205	210	212
Dry-process products:								
Breakfast foods	19	18	19	19	20	20	21	21
Cornmeal, hominy and grits 5/	109	105	111	109	108	113	111	110
Alcohol and distilled spirits	29	28	26	28	30	33	34	35
Total	354	330	351	357	362	371	376	378
Domestic Use								
Food and industrial products 3/	334	311	328	337	345	350	355	358
Seed	12	11	11	11	13	14	12	12
Livestock feed 6/	3,151	3,157	3,009	2,957	3,347	3,284	3,437	3,482
Total domestic use	3,497	3,479	3,348	3,305	3,705	3,648	3,804	3,852
Exports								
Grain	512	397	477	550	670	466	613	600
Products 3/	20	19	23	20	17	21	21	20
Total	532	416	500	570	687	487	634	620
Total utilization	4,029	3,895	3,848	3,875	4,392	4,135	4,438	4,472
Carryover at end of year	1,142	1,365	1,537	1,147	840	823	1,146	1,050
	SORGHUM GRAIN							
Supply								
Carryover (October 1)	584	661	655	649	566	391	244	292
Production	595	510	585	490	673	715	756	739
Total supply	1,179	1,171	1,240	1,139	1,239	1,106	1,000	1,031
Distribution								
Domestic Use								
Food and industry 7/	11	10	11	11	11	11	11	11
Seed	2	2	2	2	2	2	2	2
Livestock feed 6/	489	391	471	412	569	601	529	593
Total domestic use	502	403	484	425	582	614	542	606
Exports (grain only)	176	113	107	148	266	248	166	125
Total utilization	678	516	591	573	848	862	708	731
Carryover at end of year	501	655	649	566	391	244	292	300

1/ Preliminary.
2/ Preliminary; utilization and carryover at end of year based on indications in January 1969.
3/ Total quantities processed and breakdown between domestic use and exports.
4/ Used in production of starch, sirup and sugar; reported by members of Corn Refiners Association, Inc. 1962-66, 1967/68 unofficial estimate.
5/ Estimated quantities used commercially for food, for brewers' use and for farm household use.
6/ Residual; includes small qunatities for other uses and waste.
7/ Alcohol, distilled spirits and wet-processing (not reported separately).

Table 6.--Oats and barley: Supply and distribution, average 1962-66, annual 1962-68

Item	Year beginning July							
	Average 1962-66	1962	1963	1964	1965	1966	1967 1/	1968 2/
	Million bushels							
	OATS							
Supply								
Carryover (July 1)	291	276	273	312	277	316	270	270
Production	912	1,012	966	852	927	801	789	930
Imports 3/	4	4	4	4	3	4	3	4
Total supply	1,207	1,292	1,243	1,168	1,207	1,121	1,062	1,204
Distribution								
Breakfast Food 4/	47	47	47	47	48	50	51	52
Domestic Use								
Breakfast food 4/	46	46	46	46	47	47	47	48
Seed	63	71	65	61	60	53	59	54
Livestock feed 5/	790	878	814	779	747	731	676	767
Total domestic use	899	995	925	886	854	831	782	869
Exports								
Breakfast food 4/	1	1	1	1	1	3	4	4
Grain	17	23	5	4	36	17	6	6
Total exports	18	24	6	5	37	20	10	10
Total utilization	917	1,019	931	891	891	851	792	879
Carryover at end of year	290	273	312	277	316	270	270	325
	BARLEY							
Supply								
Carryover (July 1)	121	123	146	132	100	105	122	137
Production	398	428	393	386	392	393	373	418
Imports 3/	9	5	13	12	8	7	8	8
Total supply	528	556	552	530	500	505	503	563
Distribution								
Domestic Use								
Industrial alcohol and alcoholic beverages	94	86	91	95	97	103	104	108
Food products 6/	6	6	6	6	6	6	6	6
Seed	18	21	18	16	17	16	16	15
Livestock feed 5/	225	230	234	252	198	213	209	254
Total domestic use	343	343	349	369	318	338	335	383
Exports								
Products	3	3	3	3	2	2	2	2
Grain	61	64	68	58	75	43	29	18
Total	64	67	71	61	77	45	31	20
Total utilization	407	410	420	430	395	383	366	403
Carryover at end of year	121	146	132	100	105	122	137	160

1/ Preliminary.
2/ Preliminary; utilization and carryover at end of year based on indications in January 1969.
3/ Includes grain equivalent of products.
4/ Total processed into oatmeal and prepared oat cereals and breakdown between domestic use and exports.
5/ Residual; includes small quantities for other uses and waste.
6/ Includes malt and pearl barley used for food.

1967. The heavier receipts from the smaller 1968 crop apparently resulted from earlier harvesting and marketing. Receipts have dropped sharply since early December and during January were somewhat below a year earlier. Stocks of corn at terminal markets have increased seasonally since last October. Terminal market stocks were above a year earlier during October-December but had adjusted to about the same level by late January.

Corn Marketings Higher in Quality Than in 1967

Marketings of corn at interior points during the 2 months following the harvest of the 1968 crop (November-December) were of higher quality than those received in the same period of 1966 and 1967. Data on receipts by grades were compiled by the Grain Division, C&MS in 17 Midwestern, Eastern and Southern States. Of the total receipts, 2 percent graded No. 1, 29 percent No. 2, and slightly over 35 percent No. 3. Thus, about 66 percent graded No. 3 or better, well above the 47 percent in the 3 top grades in the same period of 1967. This was also higher than in the same period of 1965 and 1966. Nearly 22 percent graded No. 4, about the same as in the past 2 years while much less corn graded No. 5 and Sample.

Sorghum Grain Supplies Up Slightly

The grain sorghum supply for 1968/69 was estimated in December at a little over 1 billion bushels, about 3 percent larger than in 1967/68 but 13 percent below the 1962-66 average. The 1968 crop of 739 million bushels was slightly below the record 1967 crop. Farmers reduced the acreage harvested for grain by 7 percent, but yield per acre was up 5 percent.

Domestic demand for grain sorghum is expected to continue strong in 1968/69. Use probably will be above the 542 million bushels in 1967/68. The number of cattle on feed in the Southwest was 29 percent above the year before on October 1 and 24 percent higher on January 1. Grain sorghum prices also have been lower this fall and winter in relation to corn than in the same period of 1967/68. Exports have been below those of a year earlier--totaling about 28 million bushels in October-December, down 27 million from a year earlier. For the 1968/69 marketing year, exports may be about a fourth less than the 166 million exported last year. Total disappearance of sorghum this year may about equal the 1968 crop, leaving an October 1 carryover of around 300 million bushels.

Grain Sorghum Prices Above Loan Rate

Grain sorghum prices, like corn, have increased since last fall, rising from $1.60 a cwt. in October to $1.74 in January. This brings them to well above the $1.62 a cwt. loan rate and may start tempering the volume going into the loan program. Grain sorghum prices, averaging 90 percent of corn in January, are lower relative to corn than in 1967/68. The larger quantity of grain sorghum going under loan this year, together with the generally strong domestic demand, should give support to grain sorghum prices during the remainder of the marketing year. Further advances in prices, however, will be limited by the larger supplies available for domestic use, especially since prices are now well above the loan rate.

Larger Supplies of Oats and Barley; Prices Rise to Near the Loan Rate

Supplies of oats and barley for the 1968/69 marketing year are somewhat larger than last year due principally to the larger 1968 crops. Prices of these 2 grains dropped well below the loan rates last summer but have risen seasonally during the past 6 months and were close to the loan rates in January. Average prices received by farmers for the 2 grains were about the same per hundred pounds as corn this winter. In most recent years these grains have sold at a premium over corn (table 6).

The oat supply, declining for a number of years, increased 13 percent in 1968/69 to a little over 1.2 billion bushels. This increase was due entirely to the 141-million-bushel increase in the crop to a little above the 5-year average.

Table 7.--Corn: Receipts at primary markets and terminal stocks, by weeks, October-January 1966-68

Period 1/	1966/67		1967/68		1968/69	
	Market receipts 2/	Terminal market stocks	Market receipts 2/	Terminal market stocks	Market receipts 2/	Terminal market stocks
	1,000 bushels					
Week ended						
October 4	6,001	74,694	3,623	45,789	6,099	53,548
11	4,670	73,447	2,880	45,361	4,301	54,735
18	4,900	71,113	3,762	46,814	5,264	59,543
25	8,404	74,036	4,875	46,830	7,186	64,162
November 1	14,653	83,975	6,222	50,367	10,361	74,323
8	19,838	91,673	8,462	52,751	13,755	83,436
15	18,236	105,355	13,881	62,149	13,427	92,558
22	17,629	117,118	14,118	72,704	13,503	101,310
29	13,305	128,554	15,212	88,011	13,802	110,156
December 6	9,126	135,283	16,139	102,140	13,054	119,890
13	6,119	135,456	9,674	112,176	11,871	123,856
20	6,151	134,908	10,090	118,606	9,491	128,139
27	6,546	137,088	5,281	121,863	4,737	133,436
January 3	5,746	138,621	6,999	126,236	3,008	135,448
10	8,729	137,389	8,704	128,595	2,998	135,726
17	7,579	138,418	8,404	132,252	3,760	134,415
24	5,821	136,807	7,537	132,869	4,181	136,514

1/ Stocks at terminal markets on Saturday and market receipts for week ended Friday. 2/ Receipts at 13 primary markets, see footnote 1, table 8.

Table 8.--Market receipts of corn, oats and barley, marketing years 1967/68 and 1968/69

Year beginning	Corn 1/		Year beginning	Oats 1/		Barley 2/	
	1967/68	1968/69		1967/68	1968/69	1967/68	1968/69
	1,000 bushels			1,000 bushels			
October	17,728	31,414	July	8,637	5,886	7,956	8,236
November	52,183	56,284	August	25,866	18,035	22,681	11,672
December	44,308	41,272	September	8,772	8,406	9,653	13,990
January	36,203		October	5,281	5,380	8,154	10,478
February	26,354		November	5,047	3,066	8,046	6,618
March	21,053		December	3,270	4,711	5,547	7,046
April	18,059		January	3,786		7,218	
May	14,645		February	4,122		7,720	
June	14,763		March	4,213		9,954	
July	22,175		April	2,387		7,576	
August	21,415		May	3,217		8,692	
September	22,445		June	4,298		10,856	
Total	311,331		Total	78,896		114,053	

1/ Chicago, Milwaukee, Minneapolis, Duluth, St. Louis, Kansas City, Peoria, Omaha, Indianapolis, Sioux City, St. Joseph, Wichita and Toledo. 2/ Minneapolis, Milwaukee, Chicago and Duluth.

The relatively lower price of oats this year is expected to result in increased domestic consumption, while exports probably will continue near the low level of 1967/68. Total disappearance probably will fall somewhat below the 1968 crop. The carryover into 1969/70 may be around a fifth larger than the 270 million bushels on July 1, 1968.

The 1968 barley crop was estimated in December at 418 million bushels, about 12 percent larger than in 1967. With the larger carryover stocks, the total supply was estimated at 563 million bushels, about 60 million more than the year before and moderately above the 5-year average. Barley prices dropped sharply at harvesttime to 81 cents a bushel in August, 9 cents below the loan rate. With more barley going under loan last summer, barley prices advanced about 9 cents a bushel from the seasonal low last August to close to the loan rate of 90 cents in January.

Lower barley prices this year are expected to result in domestic use totaling 40 to 50 million bushels over the 335 million in 1967/68. Exports of barley, however, have taken a further drop in the first half of the year, totaling only 7 million bushels during July-December, only a third as large as in that period of 1967. Total disappearance of barley is expected to fall somewhat below the 1968 crop. The carryover next July 1 may be around a fifth larger than the 137 million bushels at the beginning of the year.

Feed Concentrate Supply Up Slightly

The 253-million-ton supply of all feed concentrates for 1968/69 is slightly above 1967/68 and about 10 million tons above the 5-year average. This year's supply includes 216 million tons of feed grains, 3 million more than last year. The 32.5 million tons of byproduct feeds expected to be fed this year would be up $1\frac{1}{2}$ million tons from 1967/68, with much of the increase in oilseed meal.

Wheat feeding is expected to continue large in 1968/69 as wheat prices have continued relatively low this winter, making it competitive with feed grains in many areas. The total quantity to be fed during the 1968/69 October-September feeding year may be around 150 million bushels. This would be practically the same as in 1967/68 when feeding was especially heavy in July-September, the last quarter of the feeding year. Since last fall, wheat prices have been below those of corn in a number of States after adjusting for differences in weight per bushel and feeding value.

More Livestock and Heavier Feeding Expected in 1968/69

Grain-consuming animal units to be fed in 1968/69 are now estimated to number 184 million, a little above earlier expectations as a result of more cattle on feed and increased pig crops. This would be 3 percent above 1967/68 and the most since World War II. In terms of animal units, cattle on feed are expected to be up around 8 to 10 percent and hogs up about 4 percent.

The rate of feeding per animal unit probably will be a little higher this year than in 1967/68. Livestock/feed price ratios have continued favorable in 1968/69 although they have declined some since the very favorable levels of last August-October. During October-January, prices of livestock and livestock products averaged about 8 percent higher than a year earlier, while feed grain prices averaged slightly lower. This resulted in a livestock/feed grain price ratio even more favorable than that of a year earlier and the highest for the period in more than 15 years. Assuming the rate of feeding per animal unit this year is about 0.92 ton, (slightly higher than in 1967/68), close to 170 million tons would be required to feed the prospective number of livestock and poultry on farms. This would be about 7 or 8 million tons above the level of the last 3 years, the largest of record and about 16 million tons more than the 1962-66 average.

Table 9.--Feed concentrate balance, number of animal units, and feed per unit, average 1962-66, annual 1963-68

Item	Year beginning 1/						
	1962-66 average	1963	1964	1965	1966	1967 2/	1968 3/
	Million tons						
Supply							
Carryover-beginning of year 1/	60.6	64.4	69.3	54.8	42.1	37.1	47.9
Production of feed grains:							
Corn	108.2	112.5	97.6	114.4	115.3	133.3	122.5
Sorghum grain	16.6	16.4	13.7	18.8	20.0	21.2	20.7
Oats	14.6	15.5	13.6	14.8	12.8	12.6	14.9
Barley	9.5	9.4	9.3	9.4	9.5	8.9	10.0
Total production	148.9	153.8	134.2	157.4	157.6	176.0	168.1
Imports of feed grains	.3	.3	.4	.3	.3	.3	.3
Wheat and rye fed	2.8	1.7	3.5	3.6	3.9	4.6	4.5
Byproduct feeds fed	30.4	30.2	30.2	31.1	31.2	31.0	32.5
Total supply of all concentrates	243.0	250.4	237.6	247.2	235.1	249.0	253.3
Utilization (October-September)							
Concentrates fed 4/							
Corn	88.2	84.3	82.8	93.7	92.0	96.2	97.5
Sorghum grain	13.7	13.2	11.5	15.9	16.8	14.8	16.6
Oats	12.5	13.2	11.9	11.9	11.8	10.8	12.3
Barley	5.4	5.7	5.4	4.8	5.3	5.0	6.1
Wheat and rye	2.8	1.7	3.5	3.6	3.9	4.6	4.5
Oilseed meals	12.7	12.3	12.4	13.3	13.0	12.6	13.4
Animal protein feeds	3.4	3.5	3.3	3.3	3.6	3.8	3.9
Grain protein feeds	2.1	2.0	2.1	2.2	2.3	2.3	2.3
Other byproduct feeds	12.2	12.4	12.4	12.3	12.3	12.3	12.9
Total concentrates fed	153.0	148.3	145.3	161.0	161.0	162.4	169.5
Feed grains							
Food, industry and seed	14.6	14.4	14.6	15.0	15.1	15.5	15.5
Exports	21.7	18.8	21.9	29.1	21.9	23.0	21.5
Total utilization	189.3	181.5	181.8	205.1	198.0	200.9	206.5
Utilization adjusted to marketing year 5/	189.5	181.1	182.8	205.1	198.0	201.1	206.3
Carryover-end of year	53.5	69.3	54.8	42.1	37.1	47.9	47.0
Grain-consuming animal units (Mil.)	172.8	173.0	169.1	170.1	179.0	179.1	184.0
Supply of all concentrates per animal unit (Tons)	1.41	1.45	1.41	1.45	1.31	1.39	1.38
All concentrates fed per animal unit (Ton)	.89	.86	.86	.95	.90	.91	.92

1/ Corn and sorghum grain October 1; oats and barley July 1.
2/ Preliminary.
3/ Preliminary; utilization and carryover at end of year based on indications in January 1969.
4/ Total quantities fed, including domestically produced and imported grains and byproduct feeds.
5/ Oats and barley July-June; other grains and concentrates October-September.

TRENDS IN FEED GRAIN PRODUCTION AND UTILIZATION

Two major trends have had a dominant place in the feed situation in the past 2 decades--one in yield per acre, the other in total utilization. Since 1954, yield has increased at an average rate of nearly 6 percent annually; utilization has gone up at an annual rate of 3.5 percent. This disparity has been basic to the problem of overproduction of feed grains since World War II, and largely responsible for Government programs relating to feed grains.

These 2 trends are shown for 1950 to date in table 10 and the accompanying chart. The period 1949-53 is used as a base since total utilization then was virtually in balance with production. If yield and total use had increased at the same rate during the 18-year period, feed grain acreage could have been maintained at the 1949-53 level without the problem of overproduction. Total utilization--including domestic use and exports--has gone up about 50 percent since 1949-53. Yield has increased at a much faster rate and is now about double the base period level.

During the period 1959-63, feed grain production and utilization were again in balance. Increases in stocks in 1959/60, 1960/61 and 1963/64 were practically offset by stock reductions in 1961/62 and 1962/63. Yield during these 5 years averaged 51 percent higher than 10 years earlier. Production and utilization had increased by about 35 percent. The balance between production and utilization was accomplished by a reduction of about 10 percent in acreage harvested.

The disparity between the upward trend in yield and use has made it necessary to divert a substantial acreage from feed grains to soil-conserving uses during the past 15 years. Even with the moderate reduction in feed grain acreage that was realized in the 1950's, feed grain stocks increased during most of that period. Since 1961, a substantial reduction in stocks has been realized by diverting 20 to 35 million acres annually from feed grain production under the current feed grain program.

During 1963-67, diversion averaged about 29 million acres annually. Production averaged 156 million tons during the 5 years--42 percent higher than in 1949-53. Utilization averaged a little over 159 million tons, up 44 percent. This was nearly 3½ million tons above average production, reducing carryover stocks by 16½ million tons during the 5 years. The acreage harvested averaged 99.3 million acres, 27 million less than in 1949-53. Yield per acre averaged 1.57 tons, or 80 percent over the base period.

Had there been no stock reduction during 1963-67, production would have been in balance with utilization with a harvested acreage of about 101.5 million acres. Acreage at this level would be 80 percent of the 1949-53 average, indicating a further widening of the disparity between yield and total utilization.

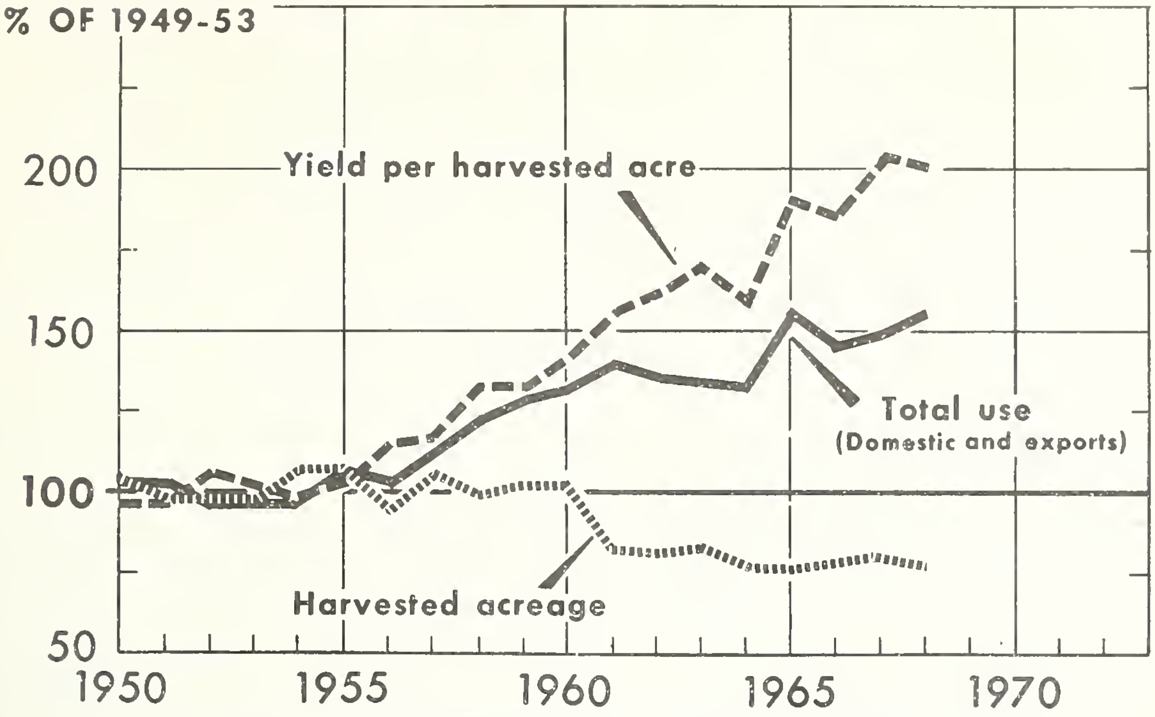
GOVERNMENT PROGRAMS

The 1969 Feed Grain Program

The 1969 Feed Grain Program, announced December 26, carries virtually the same provisions as the 1968 Program. The major change was the inclusion of barley again under the acreage diversion provisions.

The objective of the program is to divert about 37 million acres from feed grains in 1969 and bring total feed grain production a little below 1969/70 requirements so as to obtain some further reduction in feed grain carryover. This would be nearly 5 million acres more than was diverted in 1968. But nearly 4 million of this 5 million would be acreage diverted from barley, not included in last year's program. Farmers will again be required to divert 20 percent of their base acreage

FEED GRAIN ACREAGE, YIELD AND USE



YEAR BEGINNING OCTOBER 1 FOR CORN AND SORGHUM GRAIN; JULY 1 FOR OATS AND BARLEY.
1968 ACREAGE AND YIELD PRELIMINARY; USE BASED ON JANUARY INDICATIONS.

U.S. DEPARTMENT OF AGRICULTURE NEG. ERS 5831-69 (1) ECONOMIC RESEARCH SERVICE

Table 10.--Feed grains: Acreage, yield, production and total disappearance, 1949-68

Year	Acreage harvested		Yield per harvested acre		Production		Total utilization: Domestic use	Total utilization: Exports	Total utilization: Total	
	Acreage	Percent of 1949-53	Yield	Percent of 1949-53	Quantity	Percent of 1949-53	Quantity	Quantity	Quantity	Percent of 1949-53
	Mil. acres	Pct.	Ton	Pct.	Mil. tons	Pct.	- - Million tons - -			Pct.
1949-53: av.	126.8	100	.87	100	109.8	100	105.9	5.0	110.9	100
1949	131.4	104	.85	98	111.9	102	107.8	4.8	112.6	102
1950	133.2	105	.85	98	113.1	103	109.4	6.4	115.8	104
1951	124.4	98	.84	97	104.8	95	109.8	4.8	114.6	103
1952	121.9	96	.91	105	111.0	101	100.5	5.3	105.8	95
1953	123.2	97	.88	101	108.3	99	102.0	3.8	105.8	95
1954	134.3	106	.85	98	114.1	104	102.1	5.5	107.6	97
1955	134.9	106	.90	103	120.8	110	109.4	8.1	117.5	106
1956	120.3	95	.99	114	119.3	109	106.9	7.7	114.6	103
1957	131.7	104	1.01	116	132.4	121	113.4	9.8	123.2	111
1958	126.1	99	1.14	131	144.1	131	123.4	12.6	136.0	123
1959	130.1	103	1.15	132	149.5	136	130.1	12.8	142.9	129
1960	127.5	101	1.22	140	155.5	142	132.8	12.7	145.5	131
1961	105.3	83	1.33	153	139.8	127	135.8	17.3	153.1	138
1962	101.9	80	1.39	160	144.7	129	132.9	16.8	149.7	135
1963	105.1	83	1.46	168	153.8	140	130.5	18.8	149.3	135
1964	97.1	77	1.38	159	134.2	122	127.5	21.6	149.1	134
1965	96.0	76	1.64	189	157.4	143	141.3	29.1	170.4	154
1966	97.8	77	1.61	185	157.6	144	140.9	22.0	162.9	147
1967	100.8	79	1.75	201	176.0	160	142.2	23.3	165.5	149
1968 1/	96.6	76	1.74	200	168.1	153	147.8	21.5	169.3	153

1/ Preliminary; domestic use and exports based on January 1969 indications.

to participate in the program and may divert an additional acreage up to 50 percent of their base, or 25 acres whichever is larger, for payment. The signup period will be from February 3 through March 21, the same as for cotton and wheat.

Price supports for the 1969 feed grain crops will be the same as in 1968, except for barley. Barley's price support will again be divided between the loan and a price support payment. The loan rate will be 83 cents instead of 90 cents in 1968, and the price support payment will be 20 cents a bushel. The price support for corn is $1.35 a bushel, including a loan of $1.05 and a price support payment of 30 cents (table 11). The price support loans are available on the entire production of participating farmers. Price support payments for corn, barley and grain sorghum will be made on the projected production on 50 percent of the farmer's base acreage. All of the oats produced will again be eligible for price support loans, but no price support payments are made for oats.

Acreage diversion provisions of the program are practically the same as in 1968, with the addition of barley. To participate, farmers are again required to divert 20 percent of their base acreage; no diversion payments will be made on this 20 percent. The rate of payment for acreage diverted from 20 to 50 percent will be based on 45 percent of the total price support ($1.35 a bushel for corn) and the projected yield per acre. The national average projected yield for corn in 1969 is close to 81 bushels an acre, about 3 bushels higher than the projected yield used in 1968. For grain sorghum, the projected yield is about 54 bushels an acre, 3 bushels higher than last year. Average diversion payments will be a little higher than in 1968 when about 17 million acres of corn was diverted for payment at about $39 an acre, and nearly 4 million acres of sorghums at about $24 an acre. In addition, about 12 million acres of corn and sorghums were diverted, for which no diversion payment was made.

Provisions for Producers with Small Base Acreages: As in other recent years, farmers with small base acreages may divert their entire acreage for payment. A farm with a base of 25 acres or less will get a payment based on the first 20 percent diverted at 20 percent of the total support rate times the projected yield. The payment for the remaining acreage diverted will be at the regular 45 percent payment rate. Producers with feed grain base acreage up to 125 acres will again have the option of temporarily reducing their base down to 25 acres and be eligible for the small farm provisions. In this case, no corn, grain sorghum or barley may be planted for harvest on the farm and farmers must divert 25 acres to soil-conserving uses.

Other Provisions: Acreage substitution features of the 1969 Program are essentially the same as in 1968. Producers who sign up for both wheat and feed grain programs may produce wheat on their corn, sorghum, or barley base acreage or the 3 feed grains on their wheat allotment acreage. An oat-rye base may be requested and wheat may be seeded on such acreage. Adjustments, however, will continue to be made for the lower feeding value of oats and rye.

Soybeans may also be planted on the corn-sorghum base acreage but, as in 1968, they will not be eligible for feed grain price support payments. The larger crops of soybeans in the last 3 years has resulted in increased carryover stocks which led to the deletion of the provision that was carried in 1967 to permit soybean plantings on feed grain price support acreages. For a summary of the 1969 Program compared with earlier years see page 17.

Results of the 1968 Feed Grain Program

In 1968 over 1.4 million farmers participated in the Feed Grain Program, 47 percent of the farms with a feed grain base. The number of farms participating was 9 percent larger than in 1967, when about 43 percent of the farms with feed grain bases participated. The program in 1968 again applied only to corn and grain sorghum. The total base acreage of the 2 grains on participating farms was 72 million acres, 63 percent of the national base. This was

Table 11.--Provisions of the 1969 Feed Grain Program compared with the 1967 and 1968 Programs

Item	1967 Program			1968 Program			1969 Program		
	Price support loan	Price support payment	Total support	Price support loan	Price support payment	Total support	Price support loan	Price support payment	Total support
Price support									
Corn, per bu.	$1.05	$0.30	$1.35	$1.05	$0.30	$1.35	$1.05	$0.30	$1.35
Oats, per bu.	.63	.00	.63	.63	.00	.63	.63	.00	.63
Barley, per bu.	.90	.00	.90	.90	.00	.90	.83	.20	1.03
Grain sorghum, per cwt.	1.61	.53	2.14	1.62	.53	2.15	1.61	.53	2.14
Production eligible for price support	Price support loan on total production	Price support payment on projected production of the smaller of the planted acreage or 50 percent of base		Price support loan on total production	Price support payment on projected production of the smaller of the planted acreage or 50 percent of base		Price support loan on total production	Price support payment on projected production of the smaller of the planted acreage or 50 percent of base	
Yield used for determination of payments	Projected for 1967 (Based on 1961-65 average adjusted for trend)			Projected for 1968 (Based on 1962-66 average adjusted for trend)			Projected for 1969 (Based on 1963-67 average adjusted for trend)		
Acreage Diversion									
Grains included	Corn and grain sorghum, substitution permitted 1/			Corn and grain sorghum, substitution permitted 1/			Corn, grain sorghum, and barley, substitution permitted 2/		
Base period	1959 and 1960			1959 and 1960			1959 and 1960		
Acreage to be diverted									
Minimum 3/	20 percent of base			20 percent of base			20 percent of base		
Maximum 4/	No additional diversion (except for small farms)5/			50 " " " (or 25 acres if larger)			50 " " " (or 25 acres if larger)		
Payment rates for corn and sorghum acreage diversion 6/	No payment for acreage diversion except small farms			County total support rate times:			County total support rate times:		
First 20 percent diverted	"			No payment (except small farms)			No payment (except small farms)		
Diversion of 20 to 50 percent	"			45 pct. of projected production			45 pct. of projected production		
Small producer - 25 acres of feed grains or less	May divert entire acreage. Payment on first 20 percent based on 20 percent of projected production; additional diversion based on 50 percent of projected production 7/			May divert entire acreage. Payment on first 20 percent based on 20 percent of projected production; additional diversion based on 45 percent of projected production 7/			May divert entire acreage. Payment on first 20 percent based on 20 percent of projected production; additional diversion based on 45 percent of projected production 7/		

1/ Barley not included in the diversion program. Farms signing up for the wheat and feed grain programs could substitute acreages of wheat and corn-sorghums. Farmers requesting a barley, oat or rye base could substitute wheat for barley, oats and rye. 2/ Farmers signing up for the wheat and feed grain programs may substitute acreages of these grains. Farmers requesting an oats-rye base may substitute wheat for oats and rye. 3/ Minimum diversion to be eligible for diversion payments and price support. 4/ Maximum acreage that can be diverted for payment, but no payment for required diversion except to "small farms". 5/ Producers could divert for payment up to 25 acres if no feed grains are planted. 6/ Also applies to barley in 1969. 7/ Producers with bases of 26 through 125 acres may elect to have the base temporarily reduced to 25 acres and be paid as a small producer, provided no corn, grain sorghum or barley is planted.

nearly 6 million acres more than in 1967 when farmers did not receive payment for diversion above the first 20 percent. It was about 4 million acres more than in 1966 when the acreage diversion provisions were similar to those of the 1968 Program.

With the restoration of the provisions for paying farmers for diversion from 20 to 50 percent of their base, acreage diverted from corn and sorghums increased to 32.4 million acres, 12.1 million more than in 1967. This was about 1.5 million more than was diverted from corn and grain sorghum in 1965 and 1966 when the program provisions were similar to 1968.

In 1968 farmers diverted an estimated 8.6 million acres of corn and 3.3 million acres of grain sorghum (at the 20 percent required diversion level) for which no acreage diversion payments were made. The 16.8 million acres of corn and 3.7 million acres of grain sorghums, which were diverted at above the 20 percent level or on small farms, made up a substantial part of total diversion.

Corn and grain sorghum farmers participating in the program planted 36.3 million acres of these 2 grains, 2.8 million less than in 1967. The acreage planted by participants was 44 percent of the U.S. total acreage of the 2 grains, slightly above a year earlier.

Barley was not included in the program in 1967 and 1968, but the acreage seeded to barley was slightly less than in 1966. Barley acreage was held at a comparatively low level since much acreage previously diverted from barley was instead seeded to wheat. However, yields of 17 percent above the 1962-66 average have brought 1968 barley production well above 1968/69 projected use.

With the resumption of payments for voluntary acreage diversion above the 20 percent level, in 1968 total payments earned by farmers for acreage diversion increased to $741 million, more than double those in 1967. Price support payments also were higher than in 1967. Total payments to farmers amounted to nearly $1.4 billion, 58 percent more than in 1967. Payments in 1968 also were a little higher than in 1966 when that program was about the same.

Feed Grain Prices Including Price Support Payments

Farmers participating in the feed grain program have received price support payments for feed grains since 1963. In the past 2 years, price support payments have been made only for corn and grain sorghum; in the preceding 4 years payments also were made for barley. Price support payments will again be made on the 1969 barley crop. The price support payments apply to the projected production on 50 percent of the farmer's base acreage; the rate paid per bushel for corn on this part of the production has ranged from 15 to 30 cents during the past 6 years. Rates for the other feed grains and the total amount of the price support payments are shown in table 13.

The average price support payments based on total U.S. production have been computed by dividing the total payments by the total production of each of the grains. The average payment for corn computed in this manner was about 12 cents a bushel in 1968; grain sorghum, about 27 cents a cwt. When added to the season average price, this gave a season average price for corn, including payment, of $1.17 a bushel and for grain sorghum $1.94 a cwt.

Since only participants receive price support payments, average payments to participants also were computed. Participants usually produce less than half the U.S. corn crop and about 2/3 of the grain sorghum crop. Hence, the addition to the price per unit was considerably greater than when based on the total U.S. production. In 1968 farmers participating in the program received price support payments averaging about 24 cents a bushel for corn in addition to the market price. Grain sorghum producers received payments averaging about 43 cents a cwt.

Since oats and barley were not included in the acreage diversion provisions of the 1967 or 1968 programs, price support payments were not made for these crops. Barley will be included in the 1969 Program

Table 12.--Summary of results of the 1966, 1967 and 1968 Feed Grain Programs, United States

Item	Unit	1966 Program				1967 Program			1968 Program 1/		
		Corn	Grain sorghum	Barley	Total	Corn	Grain sorghum	Total	Corn	Grain sorghum	Total
Number of farms 2/											
Farms with feed grain base	Thous.	3/	3/	3/	3,171	2,771	514	3,027	2,771	514	3,022
Farms participating 4/	Thous.	3/	3/	3/	1,404	3/	3/	1,308	1,291	300	1,427
National base acreage 5/	Mil. acres	90.4	24.7	18.0	133.1	90.4	24.7	115.1	90.4	24.7	115.1
Base acreage on participating farms	Mil. acres	51.1	17.1	6/10.8	79.0	49.5	16.9	66.4	55.2	16.9	72.1
Percentage of U.S. base	Pct.	56.5	69.2	60.0	59.3	54.8	68.7	57.8	61.1	68.4	62.6
Acreage diverted											
U.S. total 7/	Mil. acres	23.7	7.3	3.7	34.7	16.2	4.1	8/20.3	25.4	7.0	32.4
Percentage of:											
U.S. base acreage	Pct.	26.2	29.6	20.6	26.1	17.9	16.7	17.7	28.1	28.3	28.1
Base acreage on participating farms	Pct.	46.4	42.7	34.3	44.0	32.7	24.3	30.6	46.0	41.4	44.9
Acreage planted											
U.S. total	Mil. acres	66.3	16.4	11.1	93.8	71.1	19.0	90.1	64.8	17.9	82.7
Acreage on participating farms	Mil. acres	24.6	8.3	6/4.1	37.0	28.0	11.1	39.1	27.3	9.0	36.3
Percent of total	Pct.	37.1	50.6	36.9	39.4	39.4	58.4	43.4	42.1	50.3	43.9
Payments earned											
Diversion payments	Mil. dol.	579	104	26	709	302	23	325	652	89	741
Price support payments	Mil. dol.	449	116	21	586	428	114	542	514	114	628
Total		1,028	220	47	1,295	730	137	867	1,166	203	1,369

1/ Preliminary. 2/ Total farms are not the sum of the farms by kinds of grain since individual farms may produce more than one feed grain. 3/ Not available by grains. 4/ Includes all farms earning a diversion, price support, or substitute crop payment and farms diverting to substitute crops for which there was no diversion payment. 5/ Based on 1959 and 1960 averages, including acreage in the Conservation Reserve Program and proven acreage. 6/ Includes acreage on farms producing malting barley exempt from the acreage diversion provisions of the program. 7/ Total diversion not compiled by States; national totals computed on basis of acreages diverted for payment plus estimated acreages diverted at the 20 percent level without payment. 8/ In addition 1.7 million acres were diverted from corn and 0.9 million from sorghums to other crops and conservation uses by farmers requesting treatment as "small farms" bringing the total diversion to 22.9 million acres.

Compiled from reports of Agricultural Stabilization and Conservation Service.

Table 13.--Corn, sorghum grain and barley: Price support payments, season average prices and average prices including payments, 1963-68

Item	Price support payments		United States				Participants in Feed Grain Program		
	Total 1/	Rate per bu. 2/	Total production	Season average price	Average payment per bushel produced	Season average price including payment	Estimated production 3/	Average payment per bushel produced	Season average price including payment 4/
	Mil. dol.	Dol.	Mil. bu.	Dol. per bu.	Dol.	Dol. per bu.	Mil. bu.	Dol.	Dol. per bu.
Corn									
1963	304.8	.18	4,019	1.11	.076	1.19	1,969	.15	1.26
1964	223.5	.15	3,484	1.17	.064	1.23	1,535	.15	1.32
1965	333.9	.20	4,084	1.16	.082	1.24	1,956	.17	1.33
1966	449.0	.30	4,117	1.24	.109	1.35	1,775	.25	1.49
1967	428.5	.30	4,760	1.04	.090	1.13	2,175	.20	1.24
1968 5/	514.4	.30	4,375	1.05	.118	1.17	2,143	.24	1.29
Barley									
1963	19.1	.14	393	.897	.049	.946	154	.12	1.02
1964	13.0	.12	386	.947	.034	.981	132	.10	1.05
1965	16.8	.16	392	1.02	.043	1.06	146	.12	1.14
1966	20.6	.20	393	1.05	.052	1.10	123	.17	1.22
1967	6/	6/	373	.997	---	.997	6/	6/	6/
1968 5/	6/	6/	418	.876	---	.876	6/	6/	6/
Sorghum grain		Per cwt.		Per cwt.	Per cwt.	Per cwt.		Per cwt.	Per cwt.
1963	59.1	.29	585	1.74	.18	1.92	364	.29	2.03
1964	45.5	.23	490	1.88	.17	2.05	304	.27	2.15
1965	80.5	.35	673	1.76	.21	1.97	444	.32	2.08
1966	116.1	.53	715	1.82	.29	2.11	463	.45	2.27
1967	113.9	.53	756	1.77	.27	2.04	559	.36	2.13
1968 5/	113.9	.53	739	1.67	.27	1.94	476	.43	2.10

1/ Total price support payments earned by farmers participating in the Feed Grain Program. 2/ Payment made on the computed "normal" production on the participant's permitted acreage in 1963-65 and the projected production on 50 percent of his base acreage in 1966-68. 3/ Production computed on the basis of acreage planted on participant's farms and U.S. average yield. Includes grain equivalent of silage and forage. 4/ U.S. season average price, plus average price support payments to participants. 5/ Preliminary. 6/ Not included in the 1967 and 1968 Programs.

Table 14.--Feed grains: Quantity placed under price support, 1962-1968 crops 1/

Feed grain	Crop of							
							Through December 31	
	1962	1963	1964	1965	1966	1967	1967	1968
	Million bushels							
Corn	590.8	395.3	215.8	214.9	263.0	491.2	193.9	180.3
Sorghum grain	219.4	141.4	82.9	106.0	27.7	65.5	40.7	51.2
Oats	32.0	38.9	44.9	43.9	22.7	36.8	29.5	72.0
Barley	39.9	28.2	15.0	16.5	16.5	47.9	32.0	89.4
Total (mil. tons)	24.2	16.3	9.4	10.1	8.9	17.3	7.8	9.8

1/ Placed under loan and purchase agreement 1962-63; quantities placed under loan plus quantities purchased by CCC for 1964-68.

Compiled from fiscal and operating reports of the Agricultural Stabilization and Conservation Service.

and a price support payment of 20 cents a bushel has been announced for 1969-crop barley. The price support payment for corn in 1969 will be 30 cents a bushel and for grain sorghum 53 cents a cwt., the same as in 1968.

Less Corn But Larger Quantities of Other Feed Grains Placed Under Loan

Farmers are placing less 1968 corn under loan this year, but more of each of the other feed grains than in 1967/68. A total of 9.8 million tons of feed grains were placed under loan through December, nearly 2 million above a year earlier. Loans on about 0.3 million tons (mostly barley and oats) had been redeemed by farmers. The 15.6 million tons of feed grains under the reseal program was more than double that of a year earlier. Thus, feed grains under loan on January 1 this year amounted to 25.1 million tons, 10 million more than a year ago.

Through December, farmers had placed about 180 million bushels of corn under loan, 14 million less than a year earlier. With the 1968 crop now estimated at nearly 400 million bushels less than last year's crop, volume going under price support will likely be somewhat less than the 491 million from the 1967 crop. Stocks of corn in the Government program on January 1 included 448 million bushels under reseal, 180 million of 1968 loan and 261 million owned by CCC--for a total of 889 million bushels, 333 million more than a year ago (table 4).

Larger quantities of other feed grains have been placed under the Government loan program from the 1968 crops. Nearly 90 million bushels of barley had been placed under loan through December, compared with only 32 million a year earlier. The 72 million bushels of oats placed under loan through December was more than twice that for the same period of 1967, while the 51 million bushels of grain sorghum was about a fourth larger.

Record Quantity of 1967 Feed Grains Placed Under Reseal Program

A record quantity of 1967 crop feed grains has been placed under the reseal program. This is the first year farmers could reseal feed grains in off-farm commercial storage. With feed grain prices generally below the loan rates this past summer and fall, farmers have placed substantial quantities of their 1967 feed grains under reseal in both on and off-farm storage.

Through December, farmers had resealed about 262 million bushels of 1968 corn, the largest of record. This included 168 million stored on the farm and 94 million in commercial storage. About 33 million bushels of grain sorghum under reseal also was largest of record. Nearly 23 million of this was stored commercially and a little over 11 million bushels on farms. The 27 million bushels of barley included only 4 million in warehouse storage. Practically all of the 20 million bushels of oats resealed was farm stored.

PROSPECTS FOR EXPORTS

Exports Running Below Last Year

U.S. feed grain exports in October-December totaled 5.3 million tons, about 1.5 million less than in the same quarter of 1967. Practically all of the reduction was due to smaller shipments to Europe.

A large volume of corn was moved out of U.S. ports in the first half of December just prior to the strike by Eastern and Gulf Coast longshoremen. However, exports lagged in the earlier part of the season. For October-December, 158 million bushels of corn (including products) were exported--25 million under those of a year earlier. Most of this drop was in shipments for Western Europe--our principal foreign corn buyer. Compared with the previous year, combined corn shipments to the Netherlands, Italy, and Spain during October-December decreased almost 50 percent (table 15).

About the only bright spot in the corn export picture has been a 10 million bushel increase to Japan. According to trade sources, Thailand may not be able to fill its export contracts of corn for Japan. Thailand's crop is estimated at 53 million bushels versus commitments of around 62 million bushels to Japan and other nearby countries.

Grain sorghum exports during October-December totaled 28 million bushels, 27 million less than a year earlier. Most of the decrease was in shipments to Western Europe, India and Israel. Exports to Japan totaled 21 million bushels, 3 million below a year earlier.

Barley exports during July-December, the first half of the 1968/69 marketing year, totaled only 7 million bushels, the smallest in more than 20 years. Oat exports--totaling only 5 million bushels--were a little below the low movement of a year earlier.

Exports of Feed Grains Below 1967/68 Level

Exports of feed grains in 1968/69 probably will be around 5 to 10 percent below the 23.3 million tons in 1967/68. Larger supplies for both exporting and importing countries in the past 2 years resulted in a drop in exports from 29 million in 1965/66. The smaller exports in these 2 years--6 to 7 million tons below the record 1965/66 level--resulted from higher grain yields in European countries as well as larger crops in Argentina and South Africa.

Large feed grain supplies in Europe are again adversely affecting U.S. exports in 1968/69. Furthermore, the dock strike which began in late December, resulted in very low exports of feed grains during January. A strike of long duration, especially if accompanied by large Argentine and South African crops, would further adversely affect U.S. exports.

Corn exports, while still relatively heavy, may be a little below the 634 million bushels exported last season. Sorghum grain exports, which dropped sharply last year from the high level of the 2 preceding years, probably will decline further in the 1968/69 marketing year. Shipments to India in 1967/68 under P.L. 480 were much lower following the unusually large movements during 1965/66 and 1966/67. Commercial sales also declined in 1967/68 as sorghum prices were above average in relation to corn.

Exports of oats and barley, continuing the downtrend of the past 10 years, will be small again in 1968/69. U.S. barley exports in the late 1950's amounted to nearly a fourth of the crop. But in the past 2 years, they have dipped to about 8 to 11 percent of the crop. A further decline is expected to bring 1968/69 exports to the lowest level in more than 20 years. Major factors seem to be the expansion of barley production in many foreign countries, the large quantity available from Canada this year, and increased world trade in corn.

Foreign Feed Grain Production Again Large

World production of feed grains (excluding foreign production of grain sorghum) in 1968 is estimated at 452 million short tons, practically the same as the 1967 crop. While production was smaller in the United States, combined production of all other countries is estimated at 284 million tons (excluding grain sorghum), around 4 percent above a year earlier.

Barley production in foreign countries was estimated at 4.5 billion bushels, compared with 4.4 billion in 1967. Production in Western Europe at 1.7 billion bushels was little changed from the large 1967 crop. The North African crop was up sharply because of a big harvest in Morocco. Production in Asia (excluding Mainland China) was 4 percent larger. Canadian barley production is estimated at 325 million bushels, much larger than the 249 million in 1967.

Oat production in all countries except the United States was estimated at 2½ billion bushels, about the same as in 1967. European output (Western and Eastern) was a little under a year ago and the 1960-64 average. The Canadian crop, however, was up sharply from 1967.

Table 15.--Corn and sorghum grain: U.S. exports to specified countries, 1965-68

Country of destination	October-September			October-December			
	1965	1966	1967	1965	1966	1967	1968 1/
	CORN 2/ -- Million bushels						
Canada 3/	65.8	41.1	48.5	19.1	14.2	17.7	18.5
United Kingdom	84.2	64.0	65.3	27.3	18.5	20.8	23.1
Belgium-Luxembourg	38.2	22.5	22.1	9.6	8.2	7.5	5.1
Germany, West	51.2	32.8	53.6	15.1	11.4	15.8	12.9
Germany, East	7.0	9.0	9.5	---	---	1.6	5.4
Netherlands	87.1	90.3	119.9	23.4	25.5	43.8	26.6
Italy	94.2	21.8	78.6	36.8	6.6	23.3	15.3
Greece	12.2	6.1	7.6	3.9	3.1	1.9	3.2
Spain	59.6	30.5	32.8	13.5	13.1	14.3	.3
Czechoslovakia	8.9	4/	2.5	2.6	---	---	---
India	2.8	4.3	1.3	.2	2.7	.6	---
Japan	94.3	61.4	102.4	23.9	13.2	15.6	26.0
Other	63.9	81.7	69.0	17.0	18.4	15.2	17.4
Total	669.4	465.5	613.1	192.4	134.9	178.1	153.8
	SORGHUM GRAIN -- Million bushels						
Belgium-Luxembourg	27.1	16.2	11.8	8.5	8.5	6.7	.4
Netherlands	35.6	15.6	10.9	8.6	4.3	5.8	1.3
Germany, West	8.7	3.9	2.9	2.5	2.8	1.9	---
Czechoslovakia	15.4	7.2	---	7.1	4.1	---	---
Japan	76.9	89.8	81.2	17.0	24.0	24.2	20.6
India	57.7	82.1	22.0	---	20.6	4.1	---
Israel	13.4	12.1	17.9	3.0	3.5	7.5	4.3
Other	31.2	21.5	19.5	3.3	7.3	4.7	1.9
Total	266.0	248.4	166.2	50.0	75.1	54.9	28.5

1/ Preliminary.

2/ Grain only including seed; but, excludes corn exported under the food for relief or charity program.

3/ Includes substantial quantities transhipped to other countries.

4/ Less than 50,000 bushels.

Compiled from reports of the Bureau of Census by the Foreign Agriculture Service, USDA.

Corn production outside of this country was about 2 percent above the 4.7-billion-crop of 1967. The West European crop continued its upward trend, which puts it in the area of 465 million bushels. This is 16 percent above 1967 and 40 percent above the 1960-64 average.

Corn production data are maintained on some 45 to 50 foreign countries. Although the quantity produced in most of these countries is relatively small, when all are added together, they produce roughly half of the world total. Most of them have expanded their corn output in recent years. In contrast to the United States, their expansion has come from both increased acreage and higher yields.

Argentina's Corn Crop Situation

According to current early indications, Argentina's 1969 corn crop may be in the range of 275 to 315 million bushels. Weather turned more favorable in January following sparse rainfall from mid-December to early January. Production in this range would be larger than the 258 million bushels in 1968 but below the big 1967 crop. The Argentine corn crop situation usually is very unstable at this time of the growing season. Weather in the corn area is particularly variable. Conditions for planting the crop were good to excellent in October and November. Argentine farmers increased the acreage seeded to corn to 11.8 million, almost a million acres more than last year and 1½ million more than in 1967 when a tremendous crop was produced.

Argentina's corn exports during April-December totaled 98 million bushels, 50 million below the year before. Exports during January-March could be larger than the 15 million shipped in that period of 1968 since their ports are less congested than a year ago. For the entire marketing year, exports will likely be in the area of 110 to 125 million bushels, substantially below the 163 million in 1967/68.

With the improved prospects for Argentine corn production, prices declined 8 to 10 cents a bushel during January. In late January, Argentine Plate c.i.f. Rotterdam was down to $1.42 a bushel, only 3 cents over U.S. No. 3 yellow. Last year, it was 21 cents over U.S. corn at about the same time.

Prospects for South Africa's Corn Crop

Prolonged rains in December delayed South Africa's corn seedings by around 4 weeks. Even though soil moisture conditions are excellent, additional rain will be needed in February if a good crop is to be produced. Present conditions seem to be generally favorable for the 1969 crop, but carryover will be much below the 119 million on hand May 1 last year.

South Africa's corn exports increased sharply to 114 million bushels in the 1967/68 marketing year (May-April) following the harvest of the very large 1967 crop. Since May 1968, its exports continue to be at maximum loading-out capacity of 10 to 12 million bushels a month. During May-December, exports amounted to approximately 90 million bushels compared with 75 million in that period of 1967. At the first of the year about 50 million bushels remained available for export during January-April--before the harvest of the 1969 crop. Most of South Africa's corn exports have been going to the United Kingdom, Japan and Italy this season.

HIGH-PROTEIN FEEDS

High-Protein Feeding to Increase

Domestic demand for high-protein feeds has been very strong this fall and winter. Livestock and poultry producers are feeding larger quantities of these feeds, partly in response to declining prices from relatively high summer levels. The quantity fed (soybean meal equivalent)

Table 16.--High-protein feed: Quantity available for feeding and high-protein feed-consuming animal units, average 1962-66, annual 1960-68

Year beginning October	Quantity available for feeding (In terms of 44 percent protein soybean meal equivalent): Oilseed meal	Animal protein	Grain protein	Total	Per animal unit	High-protein consuming animal units
	1,000 tons				Pounds	Million
Av. 1962-66	12,137	3,676	1,175	16,988	225	150.8
1960	11,259	3,281	947	15,487	217	142.9
1961	11,687	3,421	1,052	16,160	224	144.1
1962	11,976	3,543	1,069	16,588	225	147.6
1963	11,656	3,753	1,136	16,545	223	148.5
1964	11,804	3,557	1,181	16,542	223	148.3
1965	12,689	3,577	1,238	17,504	231	151.5
1966	12,561	3,950	1,250	17,761	224	158.3
1967 1/	12,240	4,263	1,284	17,787	227	156.7
1968 2/	12,750	4,400	1,300	18,450	229	161.0

1/ Preliminary. 2/ Based on January 1969 indications.

Table 17.--Oilseed cake and meal: Supply and distribution, United States, October-December 1967 and 1968

Item	Supply: Stocks (Oct. 1) 1/	Production	Imports	Total	Distribution: Domestic use (feed) 2/	Exports	Stocks (Dec. 30) 1/
	1,000 tons						
1967							
Soybean	138	3,648	---	3,786	2,836	736	214
Cottonseed	105	567	14	686	538	1	147
Linseed	23	89	0	112	43	59	3/10
Peanut	4	28	---	32	30	---	2
Copra	4/	32	---	32	32	---	4/
Total	270	4,364	14	4,648	3,479	796	373
1968 5/							
Soybean	145	3,842	---	3,987	2,980	811	196
Cottonseed	108	700	10	818	682	1	135
Linseed	14	80	6/	94	49	30	15
Peanut	3	36	---	39	33	---	6
Copra	2	31	---	33	31	---	2
Total	272	4,689	10	4,971	3,775	842	354

1/ Stocks at processor's plants. 2/ Includes minor quantities of soybean meal used for industrial purposes and cottonseed meal used for fertilizer. 3/ Unofficial estimate. 4/ Not reported. 5/ Preliminary. 6/ Less than 50 tons.

in October-December jumped to 5.0 million tons, 7 percent over a year earlier. For the entire year, feeding of high-protein feeds is expected to exceed last year's 17.8 million tons, by around 3 percent. Contributing to heavier protein feeding will be (1) generally favorable livestock/feed price ratios, (2) more high-protein consuming animal units, (3) heavier feeding of grain concentrates, (4) a rather cold winter thus far, and (5) larger supplies and lower prices of soybean and cottonseed meals.

High-protein consuming animal units this year are expected to be in the area of 161 million, up more than 4 million from last year. The feed consumption rate per animal unit is estimated at 229 pounds, slightly above a year earlier. The consumption rate in October-December was running about 62 pounds, up 3 pounds from a year earlier.

Feeders Using More Soybean Meal at Lower Prices

Soybean meal feeding in October-December totaled 3.0 million tons, 5 percent above that quarter last year. During October, domestic use exceeded a million tons for the first time. Heavy usage has occurred despite larger available supplies of other protein feeds, especially cottonseed meal and fish meal. With a strong demand, the decline in price since last summer stimulated increased use. Soybean meal, 44% protein at Decatur, now is selling for about $70 a ton compared with over $80 in July-September.

Domestic feeding of soybean meal is now expected to be 2 or 3 percent above the 10.8 million tons fed in 1967/68. Lower prices than a year earlier are in prospect for the last half of the feeding year and will encourage liberal feeding. This year's lower price of meal will give it a more competitive edge over other protein feeds.

Cottonseed Meal Consumption Increases

Because of the larger cotton crop, cottonseed meal supplies will be up sharply from the short supplies of the past 2 years. The supply (stocks plus production) during October-December was almost 820,000 tons, 130,000 more than last year. Of the total, feeding amounted to about 680,000 tons, also a sharp increase from October-December 1967.

The much larger supply this year has brought lower prices. Prices at Memphis, for example, have dropped $12-$14 a ton from last summer and are the lowest since the fall of 1965. If we get the usual 95 to 96 percent of the crop crushed, meal production in the current feeding season will total around 2.0 million tons. The bulk of it will go into cattle feeds.

Through January 31, CCC had agreed to purchase 58,000 tons of meal from processors in Arizona and New Mexico under the cottonseed price support program. No deliveries have been made thus far on any of this quantity.

Large Supplies of Animal Protein Feed

Animal protein feed supplies are running ahead of last year's pace. During October-December, fish meal supplies were up almost a fifth from a year earlier. Both domestic production and imports showed gains from last year. Production totaled 50,000 tons versus 45,000, and imports of 220,000 tons were up 35,000 from a year ago. Buyers' anticipation of the dock strike probably contributed to the increased imports.

Peru's fish meal production in the current season may slip some from the very high output in 1967/68. This would tend to strengthen prices and may reduce the rate of U.S. fish meal imports from that of recent months. Thus, the U.S. supply for 1968/69 largely made up of imports--mainly from Peru--may fall below the 1967/68 record of nearly 1.1 million tons.

Fish meal prices, after declining from summer levels in the fall, advanced $10 per ton since November. In January, 60% meal at New York was selling for $140 a ton, up $20 from a year ago. Current supplies are relatively heavy, and the recent price rise apparently reflects smaller

Table 18.--Prices of specified byproduct feeds, by weeks, October-January 1967/68 and 1968/69 1/

Period	Soybean meal, 44% protein, Decatur		Cottonseed meal, 41% protein, Memphis		Meat meal, 50% protein, Chicago		Fish meal, 60% protein, New York		Gluten feed, 21% protein, Chicago		Wheat middlings, Minneapolis	
	1967	1968	1967	1968	1967	1968	1967	1968	1967	1968	1967	1968
	Dollars per ton											
October 1	73.00	80.00	77.00	70.00	90.00	96.25	126.50	129.00	45.00	42.00	43.00	38.00
8	74.75	80.00	76.00	68.50	88.75	95.00	126.50	129.00	46.00	42.00	46.00	35.50
15	71.00	80.00	76.00	65.00	87.50	97.50	126.50	129.00	47.00	42.00	42.00	38.00
22	70.50	76.00	75.50	63.50	85.00	97.50	120.50	129.00	48.00	44.00	44.00	38.00
29	69.75	75.00	76.00	64.00	83.75	98.75	121.50	130.00	48.00	44.00	46.00	41.00
November 5	71.25	74.00	76.00	63.00	83.75	97.50	121.50	130.00	48.00	44.00	46.50	41.50
12	71.75	74.50	76.50	66.00	83.75	95.00	121.50	129.50	49.00	46.00	46.00	44.50
19	73.50	73.00	77.00	67.00	82.50	92.50	121.50	129.50	50.00	46.00	45.00	45.00
26	71.00	72.50	77.00	66.75	81.25	92.50	121.00	129.50	50.00	48.00	45.00	46.50
December 3	72.00	73.00	78.00	68.25	78.75	92.50	121.00	129.50	50.00	48.00	44.50	47.50
10	74.50	71.00	78.50	67.50	80.00	92.50	121.00	129.50	50.00	48.00	46.00	48.50
17	74.00	72.00	78.00	68.00	82.50	90.00	121.00	139.00	52.00	50.00	46.50	50.50
24	73.00	71.00	78.00	---	85.00	80.00	121.00	139.00	52.00	50.00	46.50	50.00
31	73.50	70.75	77.00	67.75	86.25	90.00	121.00	139.00	52.00	50.00	46.50	48.00
January 7	73.50	69.50	78.50	68.00	86.25	90.00	120.00	131.00	54.00	50.00	46.00	46.00
14	76.00	70.50	78.50	69.00	91.25	92.50	121.00	---	54.00	50.00	43.00	47.00
21	76.00	70.00	78.50	68.50	91.25	95.00	119.00	139.00	53.00	50.00	43.00	49.00
28	76.50	69.00	77.00	68.00	88.75	93.75	119.00	141.00	53.00	50.00	43.00	49.00

1/ Wholesale prices, bulk, except fish meal which are bagged basis. Prices are for Tuesday of each week.

Table 19.--Inedible molasses: Estimated supply and distribution, United States, average 1962-66, annual 1958-68

Year beginning October	Supply			Distribution				
	Production 1/	Imports and inshipments 2/	Total	Livestock feed 3/	Distilled spirits and alcohol	Other 4/	Total domestic 5/	Exports from Mainland
	Million gallons							
Average 1962-66	342	307	649	493	12	141	646	3
1958	172	386	558	422	50	84	556	2
1959	187	502	689	543	60	84	687	2
1960	246	335	581	444	25	110	579	2
1961	292	289	581	457	6	115	578	3
1962	295	307	602	467	5	125	597	5
1963	362	273	635	491	5	135	631	4
1964	370	281	651	493	10	145	648	3
1965	340	316	656	489	15	150	654	2
1966	343	356	699	522	26	150	698	1
1967 6/	354	364	718	535	21	150	706	12
1968 7/	370-380							

1/ Includes cane, refiners' blackstrap, beet, corn hydrol and citrus molasses; beginning 1960-61, including Hawaii. 2/ Beginning 1960-61, inshipments are from Puerto Rico only; earlier years included those from Hawaii. 3/ Residual; includes other minor uses and waste. 4/ Allowance for pharmaceutical products, yeast, citric acid, vinegar, pesticides, etc. Also includes small quantities of edible sirups. 5/ Not adjusted for stocks which data are not available. 6/ Preliminary. 7/ Estimated on the basis of 1968 sugar cane and sugar beet crops.

foreign supplies in prospect and the continuation of the longshoremen's strike.

U.S. production of meat meal and tankage in October-November was slightly more than a year ago. Continued heavy livestock slaughter should give an output of at least as large as last year's 2.1 million tons.

Meat meal prices have dropped since last fall but in recent weeks have tended to strengthen from low levels reached in December. This has accompanied a rise in prices of fish meal and the grain protein feeds.

MOLASSES

Supplies of inedible molasses from domestic sources in 1968/69 are expected to be in the area of 370 to 380 million gallons (table 19). This would be 5 to 7 percent above the estimated 354 million gallons produced in 1967/68. The entire increase will come from the big 1968 sugarbeet crop, which was almost a third larger than in 1967. Production of sugarcane was little changed from 1967, so molasses output from this source likely will hold near last year's level. Not much change is expected in citrus and corn molasses, which make up only a small proportion.

Imports are an important source of molasses, accounting for nearly half of our total supply. Last year (October-September 1967/68) an estimated 535 million gallons were fed to livestock, a slight increase over 1966/67 and the third year in the last 10 that feeding exceeded 500 million gallons. If imports and inshipments do not change much from the past 2 years, the larger domestic output would point to heavier molasses feeding in 1968/69.

Lower prices have accompanied the larger supplies of molasses this year. Refiner's balckstrap at Chicago sold for about 16.5 cents a gallon in January, 3 cents a gallon less than last summer and 5 cents less than a year earlier. The January price was also about 3 cents below the 1962-66 average for that month.

Refiner's blackstrap is now cheap as compared with corn. In January, the price of 6 gallons (about equal in feeding value to a bushel of corn) averaged 98 cents at Chicago. At the same time, No. 3 Yellow corn was being quoted at $1.17 a bushel. A year ago, the molasses/corn price relationship was in reverse, with molasses 18 cents higher than corn. On a long-term basis, molasses/corn values are about euqal. For the remainder of the current feeding year, molasses prices likely will continue below corn.

HAY

Hay Supply Exceeds 150 Million Tons for First Time

The 1968/69 hay supply (May 1 carryover plus production) was 151 million tons, over 2 million more than last year--a record. This supply is about 10 million tons larger than our last 5-year average (table 20).

With little change likely in the number of roughage-consuming livestock, the supply of 1.48 tons per animal unit is the highest in a decade. Roughage-consuming livestock have declined since 1964/65 because of fewer dairy cattle and sheep.

May-December Disappearance Increases But January 1 Stocks Still Larger

Disappearance of hay during May-December reached 60 million tons, a million above a year earlier and 3 million larger than average (table 21). However, the increased disappearance did not reduce January 1 stocks because of the large starting supply.

Table 20.--Hay: Supply and disappearance per animal unit, United States average 1962-66, annual 1961-68

Year beginning May	Carryover May 1	Production	Total supply	Disappearance	Roughage consuming animal units	Supply per animal unit	Disappearance per animal unit
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Thousands	Tons	Tons
Average 1962-66	20,042	120,927	140,969	120,145	102,817	1.37	1.17
1961	23,237	116,957	140,194	122,173	97,573	1.44	1.25
1962	18,021	121,759	139,780	116,666	100,604	1.39	1.16
1963	23,114	117,537	140,651	120,842	103,286	1.36	1.17
1964	19,809	118,778	138,587	122,020	103,910	1.33	1.17
1965	16,567	125,536	142,103	119,406	103,471	1.37	1.15
1966	22,697	121,027	143,724	121,792	102,815	1.40	1.18
1967	21,932	126,300	148,232	123,071	102,616	1.44	1.20
1968 1/	25,161	125,438	150,599		102,000	1.48	

1/ Preliminary.

Table 21.--Hay: Supply, May-December and January-April disappearance, total and per roughage consuming animal unit, average 1962-66, annual 1961-68

Year beginning May 1	Total supply 1/	May-Dec. disappearance	Following--			Disappearance per animal unit	
			Jan. 1 stocks	Jan.-April disappearance	April 30 stocks	May-Dec.	Jan.-April
	Million tons	Million tons	Million tons	Million tons	Million tons	Ton	Ton
Average 1962-66	140,969	56,916	84,053	63,229	20,824	.55	.62
1961	140,194	59,595	80,599	62,578	18,021	.61	.64
1962	139,780	54,587	85,193	62,079	23,114	.54	.62
1963	140,651	58,023	82,628	62,819	19,809	.56	.61
1964	138,587	59,511	79,076	62,509	16,567	.57	.60
1965	142,103	53,579	88,524	65,827	22,697	.52	.64
1966	143,724	58,881	84,843	62,911	21,932	.57	.61
1967	148,232	59,113	89,119	63,958	25,161	.58	.62
1968 2/	150,599	60,019	90,580			.59	

1/ Production plus May 1 stocks.
2/ Preliminary.

Disappearance per roughage-consuming animal unit during May-December increased to almost 0.6 ton, 7 percent above the 5-year average.

Based on an estimated 102 million animal units and a slightly heavier feeding rate in January-April, total disappearance of hay in 1968/69 would be around 125 million tons. This would leave a carryover next May 1 of around 25 million tons, little changed from last year.

Hay Price Slightly Lower Than a Year Ago

Even with the large supply of hay, prices so far this year are averaging only a shade under a year earlier. This indicates that demand for hay, which has trended generally upward for the past decade, continued strong this year. During May-January, prices received by farmers averaged $22 a ton, about 80 cents under those months the year before.

For most regions, prices are not greatly different from a year earlier. In mid-January, they ranged from $2 a ton lower in the East North Central and Pacific Coast States to $1 higher in the East South Central States, which had an unusually dry summer. In other regions, prices were mostly within 50 cents a ton of those in January 1968.

With unusually cold weather over much of the country so far this winter, prices will continue to be influenced by a strong demand at least through the winter. For the entire season, they are estimated at $23 a ton, about a dollar less than in 1967/68.

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The 1969 issues of the _Feed Situation_ are scheduled to be available February 7, April 11, May 26, August 22 and November 26.

Summaries of these issues are scheduled for release after 3:00 p.m. by the Press Service, Office of Information, USDA on January 31, April 4, May 19, August 15 and November 19.

Table 22.--Corn and sorghum grain: Average price received by farmers, United States, by months, 1960-68

Year beginning October	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Average weighted by sales 1/
							Dollars						
							Corn, per bushel						
1960	.992	.902	.919	.970	1.01	1.01	.968	1.02	1.03	1.05	1.04	1.04	1.00
1961	1.02	.992	.994	.993	.996	1.00	1.02	1.04	1.04	1.05	1.03	1.04	1.10
1962	1.03	.987	1.04	1.07	1.09	1.10	1.10	1.11	1.16	1.19	1.19	1.21	1.12
1963	1.11	1.05	1.09	1.12	1.11	1.13	1.15	1.17	1.16	1.12	1.12	1.17	1.11
1964	1.13	1.07	1.16	1.18	1.20	1.21	1.23	1.26	1.25	1.22	1.18	1.18	1.17
1965	1.10	1.04	1.13	1.19	1.20	1.17	1.19	1.21	1.20	1.27	1.34	1.35	1.16
1966	1.29	1.26	1.29	1.28	1.26	1.28	1.26	1.25	1.26	1.21	1.11	1.12	1.24
1967	1.04	.975	1.03	1.04	1.06	1.06	1.06	1.09	1.07	1.04	.986	1.01	2/1.04
1968	.962	1.04	1.05	1.08									2/1.05
							Sorghum grain, per 100 pounds						
1960	1.42	1.42	1.41	1.46	1.48	1.52	1.48	1.56	1.65	1.73	1.68	1.65	1.49
1961	1.61	1.63	1.65	1.65	1.67	1.67	1.68	1.71	1.71	1.74	1.70	1.68	1.80
1962	1.62	1.61	1.64	1.68	1.70	1.72	1.71	1.72	1.75	1.77	1.76	1.78	1.82
1963	1.73	1.73	1.76	1.76	1.75	1.75	1.74	1.76	1.78	1.79	1.82	1.86	1.74
1964	1.86	1.88	1.93	1.94	1.95	1.93	1.93	1.97	1.97	1.87	1.88	1.83	1.88
1965	1.70	1.71	1.73	1.74	1.79	1.77	1.76	1.77	1.78	1.79	1.87	1.88	1.76
1966	1.73	1.77	1.84	1.86	1.90	1.94	1.94	1.97	1.97	2.08	1.95	1.80	1.82
1967	1.68	1.68	1.73	1.75	1.86	1.86	1.83	1.84	1.80	1.74	1.63	1.62	2/1.77
1968	1.60	1.68	1.72	1.74									2/1.67

1/ Includes an allowance for unredeemed loans and purchase agreement deliveries valued at the average loan rate, by States. 2/ Preliminary.

Table 23.--Oats and barley: Average price per bushel received by farmers, United States, by months, 1960-68

Year beginning July	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	Average weighted by sales 1/
							Dollars						
							Oats						
1960	.629	.578	.601	.597	.588	.585	.598	.602	.593	.581	.598	.626	.599
1961	.642	.603	.640	.637	.643	.659	.665	.648	.652	.664	.667	.684	.642
1962	.621	.572	.604	.616	.633	.644	.645	.654	.656	.650	.635	.668	.624
1963	.623	.582	.616	.631	.634	.639	.646	.638	.631	.632	.628	.633	.622
1964	.593	.577	.606	.616	.625	.641	.656	.659	.660	.667	.676	.678	.631
1965	.634	.596	.601	.615	.621	.633	.644	.649	.646	.648	.655	.669	.622
1966	.664	.635	.649	.657	.663	.677	.682	.674	.682	.680	.693	.717	.665
1967	.669	.622	.638	.647	.651	.661	.667	.686	.687	.694	.692	.694	2/.659
1968	.606	.533	.561	.582	.603	.607	.625						2/.591
							Barley						
1960	.846	.801	.817	.843	.793	.839	.820	.859	.847	.847	.875	.868	.840
1961	.924	.951	.968	.986	1.00	1.01	1.03	1.04	1.03	1.01	1.02	.980	.979
1962	.986	.898	.888	.889	.898	.917	.896	.910	.902	.887	.919	.974	.915
1963	.956	.848	.853	.914	.936	.946	.925	.901	.902	.906	.923	.957	.897
1964	.960	.879	.919	.935	.961	.970	.961	.980	.968	.969	1.01	1.03	.947
1965	1.04	.989	.982	.989	1.02	1.03	1.03	1.07	1.06	1.03	1.06	1.08	1.02
1966	1.06	1.05	1.06	1.06	1.06	1.06	1.04	1.03	1.02	1.02	1.05	1.06	1.05
1967	1.06	1.01	.982	.984	.974	.975	.978	.984	.971	.963	.986	.983	2/.997
1968	.931	.814	.875	.881	.891	.902	.898						2/.876

1/ Includes an allowance for unredeemed loans and purchase agreement deliveries valued at the average loan rate, by States. 2/ Preliminary.

Table 24.--Feed grains: Prices at specified markets, by weeks, October-January 1967/68 and 1968/69 1/

Week ended	Corn, Yellow, Chicago						Oats, No. 2 Minneapolis		Barley, No. 3 Minneapolis		Milo, No. 2 Kansas City	
	1967/68			1968/69								
	No. 2	No. 3	No. 5	No. 2	No. 3	No. 5	'67/68	'68/69	'67/68	'68/69	'67/68	'68/69
	Dol. per bu.										Dol. per cwt.	
October 4	1.18	1.17	1.09	1.10	1.06	.98	.69	.62	1.26	1.21	1.91	1.72
11	1.20	1.19	---	1.12	1.10	1.03	.70	.64	1.25	1.19	1.94	1.78
18	1.18	1.16	1.08	1.06	1.05	.96	.70	.66	1.26	1.17	1.90	1.86
25	1.15	1.12	1.02	1.04	1.05	.98	.70	.66	1.27	1.16	1.88	1.84
November 1	1.18	1.14	1.05	1.09	1.06	1.02	.70	.66	1.27	1.14	1.89	1.84
8	1.09	1.05	1.00	1.12	1.10	---	.71	.67	1.25	1.17	1.88	1.85
15	1.08	1.03	.92	1.16	1.14	1.09	.71	.68	1.26	1.15	1.88	1.91
22	1.10	1.07	.89	1.17	1.15	1.04	.70	.69	1.23	1.15	1.91	1.92
29	1.11	1.07	.94	1.15	1.12	1.03	.70	.70	1.22	1.15	1.92	1.90
December 6	1.12	1.08	.94	1.15	1.13	1.04	.70	.69	1.21	1.15	1.93	1.93
13	1.17	1.13	1.03	1.15	1.13	1.07	.70	.66	1.19	1.16	1.97	1.90
20	1.14	1.10	.98	1.16	1.14	1.07	.70	.67	1.19	1.14	1.97	1.88
27	1.14	1.10	.99	1.17	1.14	1.07	.71	.65	1.21	1.12	1.99	1.90
January 3	1.13	1.10	.99	1.20	1.18	1.12	.72	---	1.23	1.15	1.96	1.92
10	1.14	1.10	.99	1.21	1.19	1.12	.72	.68	1.24	1.18	2.01	1.94
17	1.14	1.09	.98	1.19	1.16	1.14	.73	.70	1.24	1.18	2.06	1.96
24	1.13	1.10	.97	1.19	1.17	1.12	.73	.71	1.22	1.19	2.09	1.96
31	1.13	1.10	.99	1.19	1.17	---	.74	.72	1.24	1.21	2.12	1.97

1/ Weekly average prices weighted by carlot sales.

Table 25.--Feed grains and wheat: Comparison of prices per 100 pounds received by farmers, October-January, average 1963-67, 1967/68 and 1968/69 1/

Month	Corn	Oats		Barley		Sorghum grain		Wheat	
	Price per 100 lb.	Price per 100 lb.	Percent of corn	Price per 100 lb.	Percent of corn	Price per 100 lb.	Percent of corn	Price per 100 lb.	Percent of corn
	Dol.	Dol.	Pct.	Dol.	Pct.	Dol.	Pct.	Dol.	Pct.
Average 1963-67									
October	2.02	1.98	98.0	2.04	101.0	1.74	86.1	2.56	126.7
November	1.93	2.00	103.6	2.06	106.7	1.75	90.7	2.57	133.2
December	2.04	2.03	99.5	2.08	102.0	1.80	88.2	2.59	127.0
January 2/	2.08	2.06	99.0	2.06	99.0	1.81	87.0	2.59	124.5
1967/68									
October	1.86	2.02	108.6	2.05	110.2	1.68	90.3	2.38	128.0
November	1.74	2.03	116.7	2.03	116.7	1.68	96.6	2.32	133.3
December	1.84	2.07	112.5	2.03	110.3	1.73	94.0	2.32	126.1
January	1.86	2.08	111.8	2.04	109.7	1.75	94.1	2.33	125.3
1968/69									
October	1.72	1.82	105.8	1.84	107.0	1.60	93.0	2.10	122.1
November	1.86	1.88	101.1	1.86	100.0	1.68	90.3	2.15	115.6
December	1.87	1.90	101.6	1.88	100.5	1.72	92.0	2.10	112.3
January	1.93	1.95	101.0	1.87	96.9	1.74	90.2	2.12	109.8

1/ Average prices per bushel were converted to price per 100 pounds on basis of the following weights per bushel: corn, 56 pounds; oats, 32 pounds; barley, 48 pounds; and wheat, 60 pounds. 2/ January 1964-68 average.

Table 26.--Feed grains: Acreage, yield and production, United States, average 1962-66, annual 1963-68

Feed grain	Unit	Average 1962-66	1963	1964	1965	1966	1967	1968 1/
Corn								
Planted 2/	1,000 acres	66,207	68,771	65,823	65,119	66,306	71,093	64,787
Harvested 3/	1,000 acres	56,517	59,227	55,369	55,332	56,933	60,557	55,707
Yield 4/	Bu.	68.3	67.9	62.9	73.8	72.3	78.6	78.5
Production	1,000 bu.	3,862,300	4,019,238	3,484,253	4,084,342	4,117,355	4,760,076	4,374,840
Sorghum grain								
Planted 2/	1,000 acres	16,559	17,516	16,770	17,079	16,372	19,007	17,924
Harvested 3/	1,000 acres	12,496	13,326	11,742	13,029	12,813	14,999	13,971
Yield 4/	Bu.	47.6	43.9	41.7	51.6	55.8	50.4	52.9
Production	1,000 bu.	594,633	585,394	489,796	672,698	714,992	755,936	738,507
Oats								
Planted	1,000 acres	26,090	28,054	25,634	24,010	23,301	20,646	23,003
Harvested 3/	1,000 acres	19,957	21,308	19,759	18,479	17,861	16,017	17,361
Yield 4/	Bu.	45.7	45.3	43.1	50.2	44.9	49.3	53.5
Production	1,000 bu.	911,628	965,510	852,257	926,851	801,327	789,196	929,524
Barley								
Planted	1,000 acres	12,143	13,452	11,652	10,099	11,134	10,002	10,322
Harvested 3/	1,000 acres	10,615	11,236	10,277	9,144	10,205	9,177	9,563
Yield 4/	Bu.	37.5	35.0	37.6	42.9	38.5	40.6	43.7
Production	1,000 bu.	398,417	392,833	386,059	392,279	393,186	372,898	418,168
Four feed grains								
Planted	Mil. acres	121.0	127.8	119.9	116.3	117.1	120.7	116.0
Harvested 3/	Mil. acres	99.6	105.1	97.1	96.0	97.8	100.8	96.6
Yield 4/	Tons	1.49	1.46	1.38	1.64	1.61	1.75	1.74
Production	Mil. tons	148.9	153.8	134.2	157.4	157.6	176.0	168.1

1/ Preliminary. 2/ All purposes. 3/ Harvested for grain. 4/ Per harvested acre.

Table 27.--Hay: Acreage, yield and production, by kinds, United States, average 1962-66, annual 1963-68

Item	Unit	Average 1962-66	1963	1964	1965	1966	1967	1968 1/
All hay								
Acreage harvested	1,000 acres	66,838	66,428	67,375	67,684	65,140	64,667	62,570
Yield per acre	Tons	1.81	1.77	1.76	1.85	1.86	1.95	2.00
Production	1,000 tons	120,927	117,537	118,778	125,536	121,027	126,300	125,438
Alfalfa								
Acreage harvested	1,000 acres	28,973	28,490	29,384	29,733	29,002	28,162	27,156
Yield per acre	Tons	2.49	2.46	2.43	2.52	2.51	2.63	2.70
Production	1,000 tons	72,127	70,037	71,304	74,849	72,712	74,204	73,371
Clover and timothy								
Acreage harvested	1,000 acres	13,663	14,053	13,440	13,046	13,139	13,234	13,387
Yield per acre	Tons	1.53	1.52	1.47	1.54	1.60	1.71	1.77
Production	1,000 tons	20,923	21,387	19,821	20,076	21,068	22,684	23,749
All other hay 2/								
Acreage harvested	1,000 acres	24,202	23,885	24,551	24,905	22,999	23,271	22,027
Production	1,000 tons	27,877	26,113	27,653	30,611	27,247	29,412	28,318

1/ Preliminary. 2/ Includes hay cut from lespedeza, soybeans, peanuts, cowpeas, grains, other miscellaneous tame hay and wild hay.

Table 28.--Production, stocks, and foreign trade in processed feeds, foreign trade in feed grains, and corn and barley processing, specified months 1/

Commodity	Production					Stocks 2/				
	1967	1968				1968	1968/69			
	Dec.	Sept.	Oct.	Nov.	Dec.	Jan. 1	Oct. 1	Nov. 1	Dec. 1	Jan. 1
	1,000 tons					1,000 tons				
Processed feeds										
Soybean meal	1,209.5	922.2	1,289.0	1,313.8	1,239.2	214.3	145.1	155.7	153.4	196.0
Cottonseed meal	196.8	54.5	231.5	240.3	228.1	146.7	107.6	130.7	145.4	134.6
Linseed meal	21.3	27.6	31.4	26.5	22.5	3/	14.0	16.7	16.5	15.4
Peanut meal	10.9	5.7	10.5	12.9	12.3	2.4	2.9	1.9	2.1	5.6
Meat meal and tankage	170.8	172.3	190.6	169.4	4/	---	---	---	---	---
Fish meal and solubles	11.3	32.0	22.7	16.4	11.4	---	---	---	---	---
Corn gluten feed and meal	115.1	5/	5/	5/	5/	---	---	---	---	---
Brewers' dried grains	25.3	28.2	28.4	24.3	24.7	4.6	4.7	4.3	4.7	3.7
Distillers' dried grains	36.4	33.9	40.8	39.6	35.1	4.2	2.6	2.4	2.8	2.1
Wheat millfeeds	370.7	378.9	410.5	386.4	374.6	---	---	---	---	---
Rice millfeeds	36.2	37.2	44.8	47.9	45.0	---	---	---	---	---
Alfalfa meal, dehydrated	10.0	192.7	112.6	16.9	11.6	628.1	860.2	861.4	714.9	560.5
sun-cured	38.8	25.6	26.1	27.5	31.5	25.5	10.3	10.3	8.3	11.1
Total	48.8	218.3	138.7	44.4	43.1	653.6	870.5	871.7	723.2	571.6
Inedible tallow	37.4	43.4	44.8	39.3	4/	---	---	---	---	---

Commodity	Foreign trade									
	Exports					Imports				
	1967	1968				1967	1968			
	Dec.	Sept.	Oct.	Nov.	Dec.	Dec.	Sept.	Oct.	Nov.	Dec.
	1,000 tons					1,000 tons				
Soybean meal	323.3	156.7	169.0	300.2	341.9	---	---	---	---	---
Cottonseed meal	.4	.2	.4	.4	.2	4.5	2.2	3.8	2.6	3.4
Linseed meal	4.5	11.9	12.2	17.8	0	0	.1	.1	.1	.1
Other oilseed meals	5.4	9.1	8.7	4.4	7.9	0	.2	.2	.2	.2
Fish meal	---	---	---	---	---	70.2	49.4	48.8	70.7	99.3
Molasses	.2	2.9	7.8	.5	.4	183.1	153.6	118.4	152.9	195.3
Corn byproducts	27.7	45.9	60.2	43.2	49.1	---	---	---	---	---
Wheat millfeeds	1.1	3.1	1.8	5.1	1.5	3.2	2.2	4.5	4.4	3.8
Alfalfa meal, dehydrated	13.6	26.5	19.5	10.6	11.5	---	---	---	---	---
sun-cured	10.9	14.2	13.5	9.0	22.5	---	---	---	---	---
Total	24.5	40.7	33.0	19.6	34.0	---	---	---	---	---
Mixed poultry feed	11.4	14.3	8.3	13.1	13.0	---	---	---	---	---
Mixed dairy feed	1.0	1.1	1.3	2.4	1.9	---	---	---	---	---
	1,000 bushels					1,000 bushels				
Feed grains (including products)										
Corn	62,422	54,645	41,412	55,472	61,210	34	2	99	208	147
Sorghum grain	17,548	16,393	7,560	9,161	11,664	0	3	0	10	0
Oats	192	1,866	559	841	352	201	123	136	122	234
Barley	273	402	708	2,469	530	880	495	1,877	1,607	1,495
Total (1,000 s. tons)	2,249	2,029	1,397	1,882	2,059	25	14	50	47	44

Commodity	Grain processing or use						
	1967		1968				
	October	November	July	August	September	October	November
	1,000 bushels						
Corn							
Wet-processing	19,166	17,058	6/	6/	6/	6/	6/
Distilled spirits and alcohol	3,320	3,206	2,480	1,835	2,801	3,401	3,044
Sorghum grain							
Distilled spirits and alcohol	307	279	151	184	161	312	288
Barley							
Malt liquors	7,458	6,938	10,122	9,444	8,247	8,271	4/
Distilled spirits and alcohol	673	660	437	351	494	633	637

1/ Data compiled from reports of the Bureau of the Census, Consumer and Marketing Service, Fish and Wildlife Service of the Department of the Interior, and Dun and Bradstreet, New York. 2/ At processors' plants. 3/ Not reported. 4/Not yet available. 5/ Not reported beginning April 1968. 6/ Not reported beginning May 1968.

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